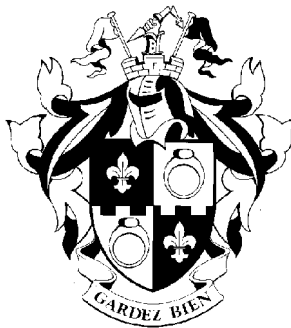


# **SUCCESSION MANAGEMENT IN MONTGOMERY COUNTY PUBLIC SCHOOLS AND COUNTY GOVERNMENT**



OFFICE OF LEGISLATIVE OVERSIGHT  
REPORT NUMBER 2010-2

September 15, 2009

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**SUCCESSION MANAGEMENT IN MONTGOMERY COUNTY  
PUBLIC SCHOOLS AND COUNTY GOVERNMENT  
OFFICE OF LEGISLATIVE OVERSIGHT REPORT 2010-2  
SEPTEMBER 15, 2009**

The County Council requested this Office of Legislative Oversight (OLO) study of approaches to succession planning in Montgomery County Public Schools (MCPS) and the Executive Branch of Montgomery County Government to estimate the magnitude of eligible retirees and to understand how each agency is preparing to address the wave of retirements each will face in the coming years.

In brief, OLO finds that:

- Within the next 10 years, about one-third of MCPS' workforce (33% of 22,014 employees in FY 2009) and the Executive Branch's workforce (37% of 9,000 in FY 2008) will become eligible to retire. This pool of eligible retirees includes more than half of each agency's senior managers.
- Both MCPS and the Executive Branch monitor workforce data and employ an array of succession management practices; however, neither has a comprehensive workforce plan nor an integrated succession management approach to forecast and address each agency's future workforce gaps.

The findings below highlight national and local workforce trends and succession management practices.

**NATIONAL WORKFORCE TRENDS AND BEST PRACTICES**

**1. Anticipated changes in the public sector workforce due to retirements, aging, and a smaller pool of replacement workers create both challenges and opportunities for the future.**

National forecasts suggest the pending wave of retirements among the nation's 77 million baby boomers may affect government agencies sooner and more severely than the private sector. As boomers retire, experts expect the challenges to public sector agencies will include recruiting for hard-to-fill positions, competing for talent with the private sector, and retaining organizational knowledge. At the same time, a commitment to strategically manage workforce turnover can create opportunities to increase leadership diversity, and to establish leadership pipelines that increase retention rates and reduce recruitment costs.

**2. Researchers suggest that a long-term, integrated approach to succession management is generally more effective than a short-term, "just-in-time" approach.**

A succession plan can be the product of a stand-alone exercise or result from a broader organizational response to managing employee turnover. Research shows that organizations with an integrated versus a "just-in-time" approach to succession management experience higher retention rates, increased employee morale, and an environment that stimulates innovation and organizational change. Four key components of an integrated succession management approach include:

- **Workforce planning** to identify current and anticipated workforce gaps and develops strategies to address these gaps;
- **Succession planning** to identify critical positions or people and develops strategies, such as leadership development programs and career ladders, to minimize risks that may occur when critical employees leave an organization;
- **Knowledge management practices** to create, identify, capture, and distribute institutional knowledge from key employees to others; and
- **Recruitment and retention practices** to smooth spikes in the transitioning of retirees out of the organization and to help fill talent or skill shortages.

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## **LOCAL WORKFORCE DEMOGRAPHICS AND SUCCESSION MANAGEMENT PRACTICES**

3. **A 10-year forecast of retirement eligibility by employee groups in MCPS and the Executive Branch shows especially high rates of eligibility among senior managers and public safety leaders. This suggests that agencies should focus on succession management.**

In 2009, retirement eligibility rates for all MCPS employee groups are below 20%. By 2018, rates will reach 51% for central-office administrators, 48% for principals, and 55% for business and operations administrators. In the Executive Branch, 2009 retirement eligibility rates are already at 86% for fire managers and 40% for police managers. By 2018, these rates will reach 86% and 91% respectively.

### **Size and Retirement Eligibility of MCPS and Executive Branch Workforces for Select Employee Groups**

Employee Groups	Size of Workforce	Percent Eligible to Retire in:		
		2009	2013	2018
Montgomery County Public Schools, FY 2009				
Total Workforce	22,014	9%	19%	33%
Central-Office Administrators	266	12%	31%	51%
Principals	202	17%	30%	48%
Business and Operations Administrators	91	20%	37%	55%
Teachers (10-month)	11,497	6%	14%	25%
Support Services Personnel	9,288	12%	23%	41%
County Government's Executive Branch, FY 2008				
Total Workforce	9,000	8%	20%	37%
MLS and Question A	402	7%	29%	55%
Police Managers (uniformed)	52	40%	77%	88%
Fire Managers (uniformed)	44	86%	91%	91%
MCGEO	5,101	4%	15%	32%
Police Bargaining Unit	1,141	8%	16%	32%
Fire Bargaining Unit	1,143	24%	34%	46%

4. **MCPS uses the Staff Statistical Profile and other studies to monitor workforce data. MCPS has the capacity to develop a strategic workforce plan, but does not have one.**

MCPS collects data on many measures that are essential to analyzing current and projected workforce gaps. For example, MCPS' annual Staff Statistical Profile reports data on: employee demographics; age distribution; retirement eligibility; and turnover patterns for administrators, teachers, other professionals, and support services personnel. MCPS uses these data to track the diversity of its workforce, staff turnover, and a host of other measures aligned to its strategic plan, *Our Call to Action*. MCPS, however, does not use these data to project future staffing needs for all of the positions that it employs.

5. **The Executive Branch uses the Personnel Management Review, the Exit Survey, departmental plans, and the budget process to monitor workforce issues. The Chief Administrative Officer thinks a strategic workforce plan for the entire Executive Branch is impractical.**

The Office of the County Executive, the Office of Human Resources (OHR), and department directors jointly track and monitor workforce data to support County operations and inform the annual budget process. The Personnel Management Review and Exit Survey, two reports that provide annual workforce data, currently lack useful information about anticipated workforce changes such as data on employee retirement eligibility or actual retirements by workforce sub-units. The Chief Administrative Officer (CAO) expects department directors to manage workforce turnover and succession issues as part of their day-to-day operations and thinks a strategic workforce plan for the entire Executive Branch would be impractical given the diversity of each department's mission and workforce requirements.

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**6. MCPS has a succession plan and leadership development program for school administrators, but not central-office administrators.**

MCPS began the Leadership Development Program (LDP) to build its pipeline of school administrators. The LDP is an intensive four- to five-year principal preparation program that offers on-the-job professional development, leadership seminars, and training. According to MCPS, the LDP has successfully provided internal candidates the opportunity to perform as principals and to increase their success once they become principals. MCPS has neither developed nor assessed the need for a succession plan for central-office administrators. Some MCPS division directors have deputies who could potentially succeed into their positions; however, many do not.

**7. The Executive Branch's Manager Development Program uses best practice strategies to create a succession pool for the Management Leadership Service.**

The Office of Human Resources (OHR) created the Manager Development Program (MDP) to develop a cohort of employees who could interview for future Management Leadership Service vacancies based on an estimate that half of these positions could become vacant within five years. MDP's objectives are to enhance employees' leadership competencies, organizational flexibility, and occupational mobility. MDP's best practices include a leadership institute, action/experiential learning, and an Individual Leadership Development Plan.

**8. The Executive Branch has not realized the Management Leadership Service goal of training managers that could be reassigned across County Government departments.**

The Management Leadership Service (MLS) program was designed, in part, to create "a flexible classification system" to allow management to "quickly reassign MLS managers to respond to the needs of the County and its residents;" and, to give managers "opportunities to change assignments to pursue skill development, job enrichment and professional growth." However, the goal of developing a mobile corps of senior County Government managers has not been realized.

Based on anecdotal information, OHR has observed MLS managers transfer across divisions within a department, but not across departments. OHR notes that the technical complexity and expertise associated with many County programs limit managers' ability to transfer across departments. Further, the CAO indicates that the original assumption that core management skills were a more critical driver of a manager's interests than subject matter expertise proved not to be true.

**9. Both MCPS and the Executive Branch have used knowledge management approaches to minimize the risks of losing core organizational knowledge as a result of employee turnover.**

Over the past year, MCPS has embarked on a system-wide strategy to have each central office map its key work processes, develop a plan to evaluate them, identify measures for determining the effectiveness of its key work processes, and develop a communication plan for employees affected by the key processes. According to MCPS, they intend to have every department articulate, publish, evaluate, map, and create performance measures for each of its key work processes within two years.

The Executive Branch uses knowledge transfer contracts, automated business processes, and temporary promotions and assignments to transfer knowledge among employees. Knowledge transfer contracts have been used by the CAO to enable departments to develop written policies and procedures or share historical knowledge of administrative procedures. Departments have used these contracts as a stop-gap response to some immediate succession issues and a long-range response to others. The Executive Branch is also investing in automating business processes via its Enterprise Resource Planning project and MC311 to upgrade the County's internal administrative and customer relation functions.



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## RECOMMENDED DISCUSSION ISSUES

Pending retirements, gaps in data collection and program practices, and anticipated challenges and benefits of managing workforce turnover strategically suggest that the succession management practices of both MCPS and the Executive Branch merit ongoing Council oversight. To assist the Council with its oversight, OLO recommends the Council pursue three specific oversight tasks:

- Conduct ongoing reviews of the adequacy of each agency's workforce data practices.
- Hold regular discussions about the specific workforce challenges each agency faces today and anticipates in coming years, based on a close reading of tailored workforce trend data.
- Assess annually how well each agency's current and future plans address the workforce challenges it anticipates.

Specific issues recommended for discussion with MCPS and Executive Branch representatives include:

**1. The adequacy of each agency's workforce data collection, analysis, and reporting practices.**

- **MCPS** - The school system collects an abundance of data that can measure gaps in its current workforce. OLO recommends that the Council discuss with MCPS representatives whether the school system's current data collection, reporting, and analysis practices enable the agency to identify current and projected workforce gaps.
- **Executive Branch** – The Executive Branch's current presentation of workforce data does not offer a clear view of future workforce gaps, either by department or type of job/position. OLO recommends that the Council discuss with the CAO whether the County Government's current data collection, reporting, and analysis practices enable the Executive Branch to identify current and projected workforce gaps.

**2. Current and projected workforce gaps, particularly among senior staff.**

- **MCPS** – By 2018, about half of all MCPS' current principals, central-office administrators, and business and operations administrators will be eligible to retire. OLO recommends that the Council discuss with MCPS representatives what specific workforce challenges they see now and in the future, and what specific retirement forecasts and turnover trends support this view.
- **Executive Branch** – Within the next ten years, more than half of current MLS and Question A managers, and more than 80% of uniformed public safety managers will be eligible to retire. OLO recommends that the Council discuss with the CAO what workforce challenges he identifies as the highest immediate priorities to address, and what specific retirement forecasts and turnover trends support this view.

**3. Each agency's plans and programs to address anticipated workforce gaps.**

- **MCPS** implements a number of leadership development strategies aimed at ensuring a highly qualified pipeline of school leaders and retaining and transferring organizational knowledge. OLO recommends that the Council discuss with MCPS representatives their assessment of how well the school system's current and future plans address anticipated workforce challenges.
- **The Executive Branch** uses leadership development programs, a senior leadership service, and career ladders to prepare future civilian and uniformed managers. The Executive Branch also has initiated management projects (e.g., the ERP project, MC311) and used knowledge transfer contracts to preserve and improve key institutional knowledge and practices. OLO recommends that the Council discuss with the CAO how well the County Government's current and future plans will address its anticipated workforce challenges.

For complete OLO Report 2010-2 see <a href="http://www.montgomerycountymd.gov/olo">www.montgomerycountymd.gov/olo</a> .
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## **Succession Management in Montgomery County Public Schools and County Government**

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## **Chapter I: Authority, Scope, and Organization of Report**

### **A. Authority**

Council Resolution 16-1407, *FY 2010 Work Program for Office of Legislative Oversight*, adopted July 21, 2009.

### **B. Purpose and Scope**

The term “succession planning” refers to the process where an organization works to attract, train, and retain individuals to replace key employees as they retire or otherwise leave an organization. Recent workforce forecasts suggest private businesses and government organizations will soon face a wave of retirements among the United States’ 77 million baby boomers.

The County Council requested that the Office of Legislative Oversight (OLO) study workforce demographics and succession planning in Montgomery County Public Schools (MCPS) and the County Government to understand how retirements will affect these workforces in the coming years. Specifically, this study:

- Describes the data management practices MCPS and the County Government use to monitor changes in their workforce composition;
- Quantifies the projected number and types of employees eligible to retire from MCPS and the County Government over the coming decade; and
- Reviews programs MCPS and the County Government have developed to address workforce changes; including practices to attract, identify, train, and retain employees with leadership potential.

To provide context and comparative perspective, the report also includes information on other public sector jurisdictions’ succession planning strategies and techniques.

### **C. Organization of Report**

**Chapter II, An Overview of Workforce Turnover Trends and Impacts**, summarizes key terms relevant to succession planning, reviews national workforce demographic trends, and describes some of the challenges and opportunities presented by workforce turnover.

**Chapter III, Succession Management Best Practices in Public Sector Organizations**, describes successful programs and practices in other public sector organizations for four key components of succession management: workforce planning, succession planning and leadership development programs, knowledge management, and recruitment and retention practices.

**Chapter IV, MCPS’ Workforce Data and Information Systems**, provides an overview of MCPS’ workforce data management systems and summarizes their workforce and retirement data.

**Chapter V, A Review of MCPS' Succession Management Strategies**, describes components of MCPS' approach to succession management, including its strategic workforce planning, leadership development programs, knowledge management practices, and recruitment and retention practices.

**Chapter VI, County Government Workforce Data and Information Systems**, provides an overview of the County Government's workforce data management systems and summarizes its workforce and retirement data.

**Chapter VII, A Review of the Executive Branch's Succession Management Strategies**, describes components of the County Government's approach to succession management within the Executive Branch, including its strategic workforce planning and leadership development programs, its knowledge management practices, and its recruitment and retention practices.

**Chapters VIII and IX** presents the Office of Legislative Oversight's **Findings and Recommended Discussion Issues**.

**Chapter X, Agency Comments**, contains Montgomery County Public Schools' and the Executive Branch's comments on the final draft of this report.

## **D. Methodology**

Office of Legislative Oversight (OLO) staff members Sue Richards, Elaine Bonner-Tompkins, and Kristen Latham conducted this study, with assistance from Leslie Rubin and Teri Busch. OLO gathered information through document reviews, data analysis, and interviews with staff from MCPS and the County Government's Executive Branch.

OLO interviews with MCPS were conducted with staff from Office of the Chief Operating Officer, Office of Human Resources, Office of Organizational Development, Department of Financial Services, Division of School Plant Operations, Department of Transportation, Division of Maintenance, and the Division of Food and Nutrition Services. OLO interviews with the Executive Branch were conducted with staff from the Office of Human Resources and the County Executive's Office.

For the purposes of this study, **succession management** refers to the continuum of approaches organizations use to have the right staff in the right positions now and in the future. This study uses the following terms - workforce planning, succession planning, knowledge management, and recruitment and retention practices – to describe the full range of MCPS' and the County Government's succession management programs. These terms are defined at the beginning of Chapter II and discussed in detail in Chapter III.

OLO gathered published and unpublished data from MCPS and the Executive Branch to describe each agency's workforce demographics. We utilized the most up-to-date data available. For MCPS, this included FY 2009 data for most measures while for the Executive Branch, this included FY 2008 data from many sources. Since some of these sources report fiscal year data while others report calendar year data yearly totals from different tables may not match. The percent calculations reported in this report do not always add to 100 due to rounding.

## **E. Acknowledgements**

OLO received a high level of cooperation from everyone involved in this study. OLO appreciates the information shared and insights provided by all who participated. OLO would like to acknowledge:

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## **Chapter II: An Overview of Workforce Turnover Trends and Impacts**

Human resource experts predict that baby boomer retirements, the aging workforce, and a decrease in the number of skilled workers will greatly impact the U.S. workforce in the next decade.<sup>1</sup> This chapter presents background information to provide a context for the chapters that follow.

- **Part A, Key Succession Management Concepts**, introduces the terms and conceptual approaches related to succession management,
- **Part B, A Review of Workforce Demographic Trends**, presents an overview of emerging demographic trends expected to drive workforce turnover, and
- **Part C, Workforce Turnover Challenges and Opportunities**, summarizes the challenges and opportunities that organizations may face as they address turnover.

### **A. Key Succession Management Concepts**

This report presents an overview of Montgomery County Public Schools' and County Government's succession planning and leadership development programs, which are components of each organization's broader framework for managing workforce turnover. This section summarizes key concepts addressed in this report. The next chapter discusses these concepts in greater detail, provides examples of best practices from other public sector organizations, and summarizes lessons learned from the research literature.

- **Workforce planning** refers to strategies an organization can use to ensure that it has the right employee in the right place at the right time. Workforce planning compares baseline personnel data with workforce projections to identify future workforce gaps. This process can help an organization assess how well current staffing aligns with future workforce or workload demands.
- **Succession planning** refers to the preparation of the next cohort of organizational leaders. Succession planning can minimize the risks associated with losing knowledge critical to an organization's success through retirements or other types of separation. Succession planning encourages training employees to assume key positions when they become vacant. Examples include leadership development programs and career ladders.
- **Knowledge management** refers to a set of practices designed to create, identify, capture, and distribute institutional knowledge to the people within an organization. Examples of knowledge transfer strategies include: developing methods to document key processes; developing repositories for long-term employee knowledge; and job-shadowing or cross training.
- **Recruitment and retention practices** allow organizations to acquire and retain employees. Targeted recruitment practices can cultivate external pools of qualified workers while targeted retention practices can encourage older workers to delay or phase into retirement. Examples of these strategies include knowledge transfer contracts, deferred retirement programs, internship programs, and work-life balance strategies to create family-friendly workplaces.

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<sup>1</sup> *Workplace Forecast Survey*, Society of Human Resource Management 2008.

## **B. A Review of Workforce Demographic Trends**

To provide context for the need for succession management among public sector organizations, this section reviews emerging workforce trends regarding retirements, aging, and the size of the pool of skilled replacement workers.

### **1. Baby Boomer Retirement**

At 77 million people, the baby boomer generation accounts for 26% of all Americans; it is followed closely by the 73 million people in Generation Y, which accounts for 25% of the population. In 2008, the oldest baby boomers turned 62 and became eligible to receive Social Security benefits.

Forecasters and the media project that the U.S. workforce will face a “tsunami” of boomer retirements because baby boomers currently make up 45% of the national workforce.<sup>2</sup> However, the timing and impact of baby boomer retirements will vary widely across industries, occupations, and organizations. For example, human resource professionals expect that baby boomer retirements will affect government organizations before the private sector because public sector workers on average are older. Specifically, in 2008:

- The median age of state and local government employees was five years older than private sector employees – 44 years old compared to 39;<sup>3</sup> and
- 49% of local government employees were over age 45, compared to 36% of private sector workers.

For the next 20 years, forecasters estimate the number of people eligible to retire will grow at the rate of 10,000 people a day.<sup>4</sup> However, varying individual circumstances, such as the effects of the economic collapse in late 2008 on retirement investments may impact this forecast. Earlier studies by the Social Security Administration and the Employee Benefit Research Institute (EBRI) suggested four main reasons that people retired: retirement became affordable; people were dissatisfied with their job; people had a desire for more personal time; and health issues.

Surveys and studies conducted since late 2008 suggest that the changed economy has affected the retirement plans of older workers differently. For example, the Retirement Confidence Survey, released by the EBRI in April 2009, found worker confidence in being able to afford to retire is at a record low and the median age that workers expect to retire increased from 62 to 65. Among some of the specific findings:

- 13% of those surveyed (a record low) are “very confident” of having enough money to live comfortably in retirement;

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<sup>2</sup> Greenfield, Stuart. Public Sector Employment: The Current Situation. Center for State and Local Government Excellence. No Date.

<sup>3</sup> Franzel, Joshua. The Public Sector Workforce – Past, Present and Future. Center for State and Local Government Excellence January 2009.

<sup>4</sup> Liber 8 Economic Information Newsletter. March 2008.

- 28% of workers surveyed report that they have changed the age at which they expect to retire in the past year with 89% of these postponing retirement to increase their financial security; and
- The median worker expects to retire at 65 and another 21% of workers do not expect to retire until their seventies. In the past, the median worker retired at age 62, and half of workers retired sooner than planned.

Similarly, an electronic survey of 5,125 members of the International Public Management Association for Human Resources (IPMA-HR) conducted by the Center for State and Local Government Excellence in April 2009 reported that 84% of employees are delaying retirements.<sup>5</sup>

On the other hand, an article from the Los Angeles Times published in 2009, reported there has been a major surge in early retirement social security claims since the federal fiscal year began October 1, 2008.<sup>6</sup> Claims are 25% greater than a year ago and 10 percentage points higher than the predicted increase. One explanation for the increase in claims may be laid off workers who are claiming retirement benefits early due to immediate financial pressures.

## **2. The Aging Workforce**

A less publicized demographic trend facing organizations that is related to the anticipated increase in retirements is the overall aging of the workforce. Nationally, data show increases in the number of older workers participating in the labor force and the share of older workers who have full-time jobs.

- Since 1990, according to the Bureau of Labor Statistics (BLS), the number of employed workers age 65 and over doubled, compared with only a 40% increase in the workforce as a whole. Specifically, the number of employed women age 65 and over increased 147% and the number of employed men age 65 and over increased 75%.<sup>7</sup>
- In 2007, a majority of employees age 65 and above worked full-time compared to a majority that worked part-time in 1995. More specifically, 56% of workers age 65 and over worked full-time in 2007 compared to only 44% who worked full-time in 1995.<sup>8</sup>

For human resource managers, the aging workforce is a mixed blessing. On the one hand, older workers' experience and knowledge make them valued employees, and their continuing interest in work can help mitigate the impact of a mass exodus from the workforce. On the other hand, a workforce of older employees may experience declines in productivity due to out-of-date technological skills, diminished motivation, or greater health problems.<sup>9</sup>

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<sup>5</sup> A Tidal Wave Postponed: The Economy and Public Sector Retirements. Center for State and Local Government Excellence. May 2009.

<sup>6</sup> Dorning, Mike. "Early Retirement Claims Increase Dramatically." Los Angeles Times. May 24, 2009.

<sup>7</sup> Bureau of Labor Statistics Employment Projection Homepage, <http://www.bls.gov/emp/>.

<sup>8</sup> [http://www.bls.gov/spotlight/2008/older\\_workers/pdf/older\\_workers\\_bls\\_spotlight.pdf](http://www.bls.gov/spotlight/2008/older_workers/pdf/older_workers_bls_spotlight.pdf).

<sup>9</sup> Strack, Rainer, Jens Baier, and Anders Fahlander. "Managing Demographic Risk." Harvard Business Review. February 2008.

### 3. The Pool of Skilled Replacement Workers

Another demographic trend predicted to affect the future workforce is the significantly smaller size of the “baby bust” cohort, born between 1965 and 1979 (or 1966-1980). With approximately 40 million people in the workforce, this cohort is significantly smaller than the 70 million baby boomers who will be retiring. In addition, research shows that the younger workers who will replace the baby boomers have lower labor force participation rates.<sup>10</sup>

The characteristics of the labor pool available to replace the retiring baby boomers have raised concerns about a labor shortage among some human resource professionals. Research, however, is inconclusive about whether a labor shortage will occur.<sup>11</sup> Table 2-1 summarizes evidence that both supports and disputes the existence of a labor shortage.

**Table 2-1: Evidence Supporting and Disputing the Existence of a Labor Shortage**

Existence of a Labor Shortage	
Supporting Evidence	Disputing Evidence
<ul style="list-style-type: none"> <li>• Baby boomers are beginning to retire and comprise about 28% of the U.S. population.</li> <li>• Immigration has declined since September 11, 2001.</li> <li>• Job creation is increasing while workforce entrants are decreasing.</li> <li>• Workers are retiring earlier (although this trend has slowed in recent years).</li> <li>• More women who have children are leaving the workforce, including those with advanced academic degrees.</li> </ul>	<ul style="list-style-type: none"> <li>• There are more college graduates. Colleges did not cut back on class sizes when the “baby bust” generation went through school.</li> <li>• The retirement age is rising.</li> <li>• Businesses are increasing “off-shoring” by the transferring work to other countries, and outsourcing.</li> </ul>

Source: *The CEO Refresher*, Volume 13, Issue 10.2 (October 2007) and “Will There Really Be a Labor Shortage?” Peter Cappelli, 2003.

Some research literature suggests that a shortage of labor could be particularly acute in public sector organizations because these organizations have a higher percent of skilled knowledge workers than private sector counterparts.<sup>12</sup> According to the Center for State and Government Excellence, in 2006, almost 70% of state and local government workers were knowledge workers compared to 30% of private sector employees.<sup>13</sup>

<sup>10</sup> “Fight the Looming Talent Shortage.” Harvard Business Review February 2008.

<sup>11</sup> *The CEO Refresher*, Volume 13, Issue 10.2 October 2007.

<sup>12</sup> Franzel, Joshua M., PhD, *The Public Sector Workforce – Past, Present and Future*, presented at the Labor and Employment Relations Association (LERA) Meeting January 5, 2009.

<sup>13</sup> Greenfield, Stuart. Public Sector Employment: The Current Situation. Center for State and Local Government Excellence. No Date.

## **C. Workforce Turnover Challenges and Opportunities**

Threatening labor shortages or the loss of institutional knowledge due to baby boomer retirements has motivated some organizations to revisit how they manage workforce turnover. This section summarizes challenges and opportunities identified in research literature that are driving this response.

### **1. Challenges**

**Recruiting for Select Labor Shortages.** According to BLS data, some hard-to-fill public sector occupations are forecasted to grow more than 10% between 2006 and 2016, including correctional and police officers, firefighters, education administrators, teachers, child care workers, bus drivers, dispatchers, and all health care occupations.<sup>14</sup> Filling vacancies created by baby boomer retirements in these occupations may challenge local governments.

**Competition for Talent.** With a smaller pool of skilled replacement workers, public sector organizations replacing retiring workers will have to compete with both private sector and other public sector employers. Traditionally, lower government salaries were off-set by generous non-salary benefits and job stability. However, the recent decline in the economy is forcing local governments to revisit pension benefit structures and reduce non-salary benefits.

**Knowledge Management Practices or Resources.** Frequently, public sector organizations do not have established practices to retain the knowledge of long-term employees when those employees leave the organization. Also, difficult economic times may prevent public sector organizations from allocating resources for knowledge management practices.

### **2. Potential Opportunities**

**Improving Diversity of Workforce and Senior Leadership.** Organizations that are able to strategically manage their workforce turnover in the coming decades have a unique opportunity to reshape the perspectives, skill sets, and diversity of their workforces and leadership.

**Monitoring and Managing Turnover to Reduce Costs.** Organizations that establish systems to proactively monitor and manage workforce turnover may have lower costs associated with recruitment and training of new employees. In particular:

- Leadership development programs focused on the talent of existing employees may increase employee retention and reduce recruitment costs; and
- The development of knowledge management programs can identify archaic or routine tasks that can be completed more efficiently or eliminated.

**Enhancing Roles of and Relationships with Human Resource Offices.** Effective workforce planning and succession management programs require collaborative working relationships between human resource managers and their client departments. Human resource offices will have an opportunity to move from a traditional focus on administrative activities to a new focus on partnering with clients on strategic activities.

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<sup>14</sup> Bureau of Labor Statistics Employment Projections 2006-2016. <http://www.bls.gov/news.release/ecopro.toc.htm>.

### **Chapter III: Succession Management Best Practices in Public Sector Organizations**

Many public sector organizations use succession management strategies to respond to increasing retirements, the aging of the workforce, and a shrinking supply of qualified replacement workers. Succession management refers to a continuum of approaches organizations can use to have the right staff in the right positions now and in the future. Perceived benefits of succession management include bolstering employee retention, driving culture change in an organization, stimulating innovation, and improving cross-departmental collaboration. (Young, 2005)

The primary information sources for this chapter about best practices are the CPS Human Resource Services, Pew Center's Government Performance Project, International City/County Management Association (ICMA), New York State Department of Civil Service, and Maryland Office of Legislative Audits (OLA). This chapter is presented in four parts:

- **Part A, Workforce Planning**, describes the planning process an agency can undertake to ensure that it has the right employees in the right places now and in the future.
- **Part B, Succession Planning and Leadership Development Programs**, describes approaches for identifying the most critical positions within an organization and developing a pipeline of candidates who can fill these positions in the future.
- **Part C, Knowledge Management Practices**, describes approaches for identifying, documenting, and transferring critical organizational knowledge among employees.
- **Part D, Recruitment and Retention Practices**, describes an acquisition and hold strategy to smooth spikes in the transitioning of retirees out of the organization and to help fill talent or skill shortages that leadership development may not be able to address.

#### **A. Workforce Planning**

This section describes what workforce planning is, its key components, research on best practices, and examples of workforce planning in other jurisdictions.

##### **1. What is Workforce Planning?**

Workforce planning refers to the process of compiling and analyzing baseline personnel data and comparing it to projected future staffing needs to help managers identify and address workforce gaps. Workforce planning can help ensure that an organization has “the right number of people with the right skills and experience in the right jobs at the right time.”<sup>1</sup> Rather than being an exact science, workforce planning provides:

- A framework for making staffing decisions that are priority and mission driven;
- A means for aligning program priorities with resource and staffing needs;
- A connection between human resources and an organization's strategic plan; and
- A tool to use when presenting agency budget requests.<sup>2</sup>

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<sup>1</sup> See South Carolina Workforce Plan at <http://www.ohr.sc.gov/OHR/wfplan/Workforce-Planning-Workshop.ppt>.

<sup>2</sup> Ibid.

The literature identifies three primary approaches to workforce planning:<sup>3</sup>

- The first approach compares the current workforce to the workforce needed in the future;
- The second approach focuses on the amount and type of work an organization anticipates handling at a specific point in the future, and uses this information to project the people and skills needed to perform that work; and
- The third approach identifies sets of competencies aligned with the organization's mission, vision, and strategic goals. This approach assumes the organization has already considered workforce and workload and can focus not only on the number of people, but also on the competencies employees must master for organizational success.

## 2. Core Components of Workforce Planning

Varying sources, including OLA and the ICMA, suggest that workforce planning entails a five step process for implementation. Table 3-1 lists each step and the workforce data that it generates.

**Table 3-1: Workforce Planning Process and Data Generated**

Five Steps of Workforce Planning		Generates data on:
<b>Step 1:</b>	Develop strategic plan for the organization	Current organizational performance on identified measures
<b>Step 2:</b>	Assess the current workforce	Workforce size and demographics, skills and competencies, turnover and salaries
<b>Step 3:</b>	Identify current and projected workforce gaps	Current and future workforce demand and supply by position, skill and/or competency
<b>Step 4:</b>	Identify and implement strategies designed to narrow the gap and develop performance measures to track progress	Number, size, scope, and cost of workforce strategies and performance measures of success
<b>Step 5:</b>	Assess the effectiveness of strategies by comparing trends to targets	Goals exceeded, met, and unmet; efficacy and cost-effectiveness of strategies implemented

Sources: U.S. Office of Personnel Management cited by Maryland Office of Legislative Audits and IPMA Workforce Planning Guide for Public Sector Human Resource Professionals

At the most fundamental level, collecting and analyzing data for workforce planning (a process referred to as “workforce analytics”) should include:

- Age distribution of the workforce;
- Retirement eligibility projections;
- Retirement patterns (based on previous behavior patterns on how soon employees retire after reaching eligibility); and
- Other attrition patterns (such as turnover) that affect future workforce supply.

With this preliminary information, agencies can begin the workforce planning process.

<sup>3</sup> Adapted from International Personnel Management Association's Workforce Planning Resources Guide (2002) available at [http://ipma-hr.org/files/workforce\\_planning.pdf](http://ipma-hr.org/files/workforce_planning.pdf).

### **3. Workforce Planning Best Practices and Lessons Learned**

Several lessons emerge from a review of the literature regarding the anticipated impact of workforce planning on an organization. CPS Human Resource Services notes the following (Young, 2003):

- **Strategic responses are better than big responses.** Identifying the most strategic trouble spots for workforce planning and selectively addressing them appears to be more effective – and certainly more doable – than increasing the scope of the organization’s response in proportion to its aging workforce challenges.
- **Direct managers should lead workforce planning.** Successful workforce planning engages managers at all levels of an organization, and is not just driven by human resources. Incorporating workforce planning into other routine processes, such as strategic planning or the budget process, can simplify it for managers.

### **4. Workforce Planning in the Public Sector**

Despite the perceived benefits of strategic workforce planning, most jurisdictions have not developed a strategic workforce plan (Johnson and Brown, 2004).<sup>4</sup> The Pew Center on the States’ Government Performance Project cited Georgia, Iowa and Virginia for their workforce planning efforts in 2008.<sup>5</sup>

- **Georgia** mandates development of a competency-based workforce planning program and is in its sixth year of implementation. A statewide Enterprise Workforce Planning Report consolidates agencies’ summaries of human resource trends and assesses the effect of these trends on agencies’ goals and objectives. The 2008 workforce plan identifies lead agencies for achieving the state’s strategic goals, and presents a detailed gap analysis of staffing, diversity, competency, and job classes most affected by upcoming retirements. The plan also identifies needed skills and initiatives intended to address these gaps.
- **Iowa’s** workforce plan addresses staffing philosophy, retention, succession planning, recruitment, and organizational development. Each plan area includes data, analysis, a description of statewide approach, and actions for the next three years. Iowa also collects data to identify retirement eligibility ten years in advance, collects exit survey data, and created a succession planning guide. Iowa’s workforce planning efforts have been underway for ten years.
- **Virginia’s** 2007 Workforce Planning Report addresses the state’s population, employment, human resource programs, and hard-to-fill jobs. The report summarizes agency-level workforce planning and agency staffing strategies. The report also highlights statewide human resource activities, summarizes agency constraints, and identifies workforce planning resources.

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<sup>4</sup> In a 2004 survey of IPMA-HR members, 63% indicated that they did not have a workforce planning process in place. Reasons cited among those with no immediate plans to develop a workplace plan were few difficulties in staffing vacant positions and the use of normal recruitment and retention efforts to maintain an effective workforce

<sup>5</sup> See [http://www.pewcenteronthestates.org/initiatives\\_detail.aspx?initiativeID=36072](http://www.pewcenteronthestates.org/initiatives_detail.aspx?initiativeID=36072)



## **B. Succession Planning and Leadership Development**

This section describes succession planning and leadership development – two closely related constructs. Section 1 describes succession planning – what it is, key components, research-suggested best practices for implementation, and examples of succession planning in public sector organizations. Section 2 describes leadership development programs – what they are, their key components, promising practices, and public sector examples of leadership development programs in practice.

### **1. Succession Planning**

#### **a. What is Succession Planning?**

Succession planning is a subset of workforce planning where organizations target critical positions and prepare staff to fill these positions in the future.<sup>6</sup> To a large extent, the succession planning process mirrors the workforce planning process.<sup>7</sup>

Succession planning seeks to minimize risks associated with an organization losing critical knowledge.<sup>8</sup> It provides training either for key critical positions or for groups of positions so staff can fill these positions when they become vacant. Examples of succession planning include leadership development programs and career ladders.

#### **b. Core Components of Succession Planning**

The core elements of succession planning are:

- Assessing the potential for vacancies in leadership and other key positions;
- Assessing the readiness of current staff to assume these positions; and
- Developing strategies to address the needs created by the gaps identified by the first two assessments.<sup>9</sup>

Strategies to manage successions can include mentoring, formal training in leadership and supervisory skills, working with hiring staff to assure appropriate promotion pools, developing strategies to retain current and potential staff, and developing strategies to recruit staff with new skill sets.

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<sup>6</sup> See New York State Department of Civil Services at <http://www.cs.state.ny.us/successionplanning/resources/differencebetweenworkforce.cfm>

<sup>7</sup> Ibid.

<sup>8</sup> Texas Workforce Planning Guide (2006 edition – SAO Report No. 06-704, page 13) available at <http://sao.hr.state.tx.us/Workforce/06-704.pdf>

<sup>9</sup> See <http://www.cs.state.ny.us/successionplanning/resources/differencebetweenworkforce.cfm>

### c. Succession Planning Best Practices and Lessons Learned

According to the New York State Department of Civil Services, at any given time, an agency should be doing both workforce and succession planning.<sup>10</sup> The 2003 CPS Human Resource Services report, *The Aging-and-Retiring Government Workforce: How Serious is the Challenge? What are Jurisdictions Doing About It?* by Mary B. Young, suggests an appropriate role for succession planning focuses on key positions. In particular, smart jurisdictions have not assumed that all retirements are equally significant. Instead “they have analyzed which ones will have the greatest impact or be the most difficult to deal with. Then they have aimed their efforts at those selected cases.”

A second CPS Human Resource Service report, *Building the Leadership Pipeline in Local, State, and Federal Governments* (Young, 2005) offers the following eight recommendations for developing leaders in the public sector:

- Make workforce planning the foundation of an organization;
- Engage senior leaders;
- Identify competencies leaders will need;
- Assess developmental needs;
- Create a leadership development strategy;
- Institutionalize the process of Individual Development Plans;
- Tap into the talent pool of retirement-eligible employees and retirees; and
- Don’t let cost concerns keep your organization from building the leadership pipeline.

### d. Succession Planning in Public School Systems

In 2001, the Wallace Foundation began the State Action for Educational Leadership Project (SAELP) in part to support succession planning efforts in public schools in ten states. The project seeks to improve the performance of students by improving school leadership.

As part of this effort, the Wallace Foundation sponsored research by the RAND Corporation to determine if schools were facing a shortage of qualified administrators.<sup>11</sup> The RAND study found no evidence of a national crisis in the labor market for school administrators. However, it recommended that public school systems look for ways to respond to likely increases in principals’ retirement rate.

**Delaware** is one of several SAELP states focused on succession planning for school administrators to enhance the pool and ethnic diversity of potential leaders. In 2002, a group of state legislators, principals, and business leaders formed a task force to address education concerns and offer policy suggestions for improvement.<sup>12</sup>

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<sup>10</sup> Ibid.

<sup>11</sup> RAND Research Brief – *Are Schools Facing a Shortage of Qualified Administrators?* RAND, (2003)

<sup>12</sup> From Promising Practice Profile: “Preparing for the Inevitable: Planning for Leadership Succession at the School, Charter Management Organization, and State Agency Levels” by the National Resource Center on Charter School Finance and Governance (2008).

Using demographic data, the group forecasted education leadership needs in the state for the next 10 years based on transfer, retirement, and resignation trends. A key recommendation from these findings was to develop a “Pool of 100,” a group of teachers with leadership potential who were identified for a school leadership career track.

To develop the “Pool of 100”, the Delaware Department of Education awarded \$10,000 planning grants to selected school districts and charter schools to implement their succession plans. The grant recipients shared common goals to identify teachers with leadership potential, provide professional development, and prepare teachers to take on school leadership positions.

For example, one district (Appoquinimink) developed a three-tiered succession plan to (1) identify teachers with leadership potential to train as assistant principals for two years; (2) select the two strongest assistant principals to enter a one-year principal internship program; and (3) select principals to work in the district’s central office. By 2008, Delaware met and surpassed its “Pool of 100” goal: an estimated 125 to 150 highly-qualified candidates were eligible for leadership positions as a result of this statewide initiative.

**Maryland** has also provided guidance to local school systems to foster succession planning for school leaders, but not as part of SAELP. Recognizing that local school systems often do not have the time and resources to focus on succession planning, the Maryland State Department of Education published the *Leadership Succession Planning Guide for Maryland Schools* in 2006 as a “catalyst for conversation”. Themes introduced within the guide include:

- Developing systemwide leadership capacity without relying on discrete candidate pools;
- Ensuring an appropriate budget for the development of aspiring and potential leaders;
- Examining each potential promotion to ensure meeting systemwide standards of excellence in instructional leadership;
- Considering when someone is moved from one key position to another, whether to consider the impact on the culture at the school with the created vacancy; and
- Determining what incentives are available for retaining principals.

## **2. Leadership Development Programs**

### **a. What are Leadership Development Programs?**

Leadership development programs refer to training and education programs designed to prepare participants for senior management positions. Succession planning efforts often begin with leadership development strategies to develop a pool of potential employees to replace retiring leaders. Leadership development programs can vary, ranging from activities designed to enhance a specific skills considered essential to effective leadership (e.g., performance management) to formal leadership academies designed to enhance many skills and create a new cohort of potential leaders.

## **b. Core Components of Leadership Development Programs**

Research by CPS Human Resource Services (Young, 2005) suggests that leadership development programs often focus on enhancing three sets of skills that employees could not develop on their own:

- **Expanding knowledge and understanding outside an employee's department or functional area.** The CPS study states it is important for employees to know what other departments do and understand the connection to their own department.
- **Enhancing enterprise-level knowledge and understanding.** According to CPS, this area requires an aggregation of knowledge and an understanding of the organization's relationship to its outside environment.
- **Broadening network of relationships.** The CPS study found a striking importance given to relationship-building and maintenance within and across organizations among the leadership development programs it reviewed.

According to CPS, a common objective uniting these priorities is to span boundaries – to stretch employees' knowledge, understanding, and working relationships and expose them to aspects of an organization beyond their current sphere of operations. Many organizations also provide training to develop employees' skills in accomplishing tasks, and managing change, conflict, the public and the media.

## **c. Leadership Development Promising Practices**

Research by CPS (2005) identified several promising leadership practices based on a literature review of leadership development in private and public sector organizations and in-depth case studies from 15 jurisdictions. The list below summarizes the CPS study's nine recommended leadership development practices with examples of their application in public sector organizations.

1. **Action learning** is a process for selecting, assessing, and developing top performers so they can achieve new levels of knowledge, skills, and experience. A team of candidates is assigned a real world challenge intended to stretch team members beyond their current levels of responsibility and experience. Team members receive training during the process, e.g., problem solving, coaching, and structured feedback.
2. An **assessment center** allows an organization to gather information through standardized tests. Centers can help select new employees or identify existing employees for future leadership positions, and they design their activities around the behaviors required for a targeted job. Experienced and successful managers typically conduct assessment exercises, and they receive advanced training to evaluate behaviors associated with particular aspects of job performance.
3. **Coaching/Mentoring** identifies and assigns individual experts to support leadership development candidates. Coaches and mentors can provide employees advice, insight, feedback, guidance, modeling, and positive reinforcement. In the federal Senior Executive Services (SES) program, mentors are selected from an established pool of SES members. The mentor, a candidate's supervisor(s), and program faculty participate in performance evaluations conducted as part of the program.

4. **Defined career paths** map out experience and development required for promotions and can be used to address structural barriers to career advancement. New York State's Office of General Services worked with employee bargaining units to design generic career paths for both job titles with obvious advancement paths and job titles without obvious paths.
5. **Formal leadership development programs or leadership academies** combine traditional classroom workshops with experiential hands-on learning opportunities. Training focuses on gaining leadership competencies, developing management or supervisory skills, or content knowledge. The Michigan Department of Human Services established their two-year Leadership Academy program to develop in-house leadership talent. The Academy has a rigorous application process, including a judgment inventory and a written experience profile, to select 20 candidates out of a pool of 2,600. Components of the academy include individual development plans, mentors, coaches, developmental assignments, learning forums, and action learning teams.
6. **Individualized development plans** identify competencies employees want to develop, tasks or training activities, and expected objectives. A plan may be based on the results of formalized assessment tests or a standardized set of leadership competencies. A coach or a manager guides an employee through the development process and reviews the results. In 2003, NY State's Office of General Services began requiring individualized development plans for every new hire or internal promotion, later expanding this requirement to all employees.
7. **Job rotations/Developmental assignments** are short-term, hands-on experiences intended to broaden participants' knowledge, perspective and relationships. Assignments are frequently outside participants' areas of expertise. The U.S. Government Accountability Office (GAO) Professional Management Program combines job rotations and a professional advisors program. New hires work in three different subject areas for three different supervisors and three different area managers through a series of job rotations in their first two years. The job rotations help new hires determine future interests and provide a broad initial exposure to people throughout the organization.
8. **Leadership development frameworks** show how various leadership programs relate across different workforces or competencies. The U.S. Coast Guard's leadership development framework shows leadership development programs for four separate workforces (i.e., enlisted, warrant, officers, and civilians); and shows the training programs that move employees to the next level.
9. **Structured relationship building** consists of formally organized activities to develop and broaden networks of contacts. An extensive and vibrant network of relationships is a key leadership asset and can significantly benefit future leaders. The City of Anaheim's leadership programs incorporate a year-round calendar of events designed to foster interaction. Candidates participate in a series of structured events, including luncheons, meetings, seminars, workshops, and retreats.

## **C. Knowledge Management**

This section describes what knowledge management is, promising practices, and examples of knowledge management efforts in public sector organizations.

### **1. What is Knowledge Management?**

Knowledge management refers to an organization's efforts to transfer knowledge of key employees to other employees so that years of accumulated knowledge do not leave the agency with an employee. Knowledge management is intended to minimize the risks associated with the loss of key knowledge. In contrast to traditional standard operating procedures, a knowledge management approach maps relationships among employees, identifies key knowledge or "intellectual capital," and addresses the distribution of knowledge throughout the organization. (Wiig, 1997)

Examples of knowledge management include developing methods to document key processes; developing long-term repositories of information; and shadowing, mentoring, or cross training.

### **2. Knowledge Management Promising Practices**

Regardless of whether an organization develops a succession plan, the Texas Workforce Planning Guide<sup>13</sup> recommends that an organization should have a plan to "transfer knowledge" of key employees to other employees. This guide identifies the following strategies for transferring knowledge among employees:

- Develop a method to document processes;
- Have key employees train others on tasks in which they specialize;
- Conduct "lessons learned" meetings;
- Develop job aids;
- Allow employees to work closely with key staff members;
- Allow employees to shadow employees who are leaving;
- Ensure every employee has a trained back-up person; and
- Develop communities of practice and central repositories for long-term employee knowledge before retirement.

Two other knowledge transfer approaches include temporarily using retirees to pass on organizational knowledge to new employees and using competency models to ensure that employees demonstrate the knowledge, skills, and abilities required to perform their positions well and attain organizational goals.

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<sup>13</sup> See <http://sao.hr.state.tx.us/Workforce/06-704.pdf>

### **3. Knowledge Management in the Public Sector**

The case studies developed by CPS in their 2003 and 2005 reports provide examples of knowledge management approaches in practice in several public jurisdictions.

- The 2003 report describes the Tennessee Valley Authority's (TVA) experience in managing "knowledge loss through attrition" as an opportunity to enlist older employees as allies in addressing future workforce needs. TVA employees "at risk" for retirement and working in hard-to-fill positions were pleased that the TVA explicitly acknowledged the value they brought to their jobs.
- The 2005 report profiles NY State's Office of General Services' efforts to transfer knowledge from soon-to-retire employees and their successors through job shadowing and "Temporary Duplicate Items," which enabled simultaneous employment of an incumbent and successor for a limited time period (up to two years) to enable the transfer of institutional knowledge in mission-critical positions.

**Competency Models:** Many state departments of education have updated school leaders' certification and licensure requirements to ensure that they demonstrate competencies considered necessary to improve school and student performance. For example, Maryland's State Board of Education aligned its instructional leadership framework with the Interstate School Leadership Licensing Consortium (ISLLC) standards in 2005. The revised framework describes eight expectations that Maryland principals are expected to demonstrate:

- Facilitate the development of a school vision;
- Align all aspects of a school culture to student and adult learning;
- Monitor the alignment of curriculum, instruction, and assessment;
- Improve instructional practices through the purposeful observation and evaluations of teachers;
- Ensure the regular integration of appropriate assessments into daily classroom instruction;
- Use technology and multiple sources of data to improve classroom instruction;
- Provide staff with focused, sustained, research-based professional development; and
- Engage all community stakeholders in a shared responsibility for student and school success.

### **D. Recruitment and Retention**

This section describes the link between recruitment and retention strategies and succession management, common approaches to recruitment and retention, and the research-endorsed role of recruitment and retention strategies to enhance succession management.

## **1. Linking Recruitment and Retention Practices to Succession Management**

In the context of succession management, recruitment and retention practices allow organizations to acquire and retain employees. Targeted recruitment practices can cultivate external pools of qualified workers while targeted retention practices can encourage older workers to delay or phase into retirement.

Whereas leadership development programs often focus on younger and/or “elite” employees to address organizations’ anticipated skill gaps and future leadership vacancies, recruitment and retention practices address retaining talent across an organization’s spectrum of employees. Examples of these strategies include knowledge transfer contracts, deferred retirement programs, internship programs, and robust work-life balance strategies to create family-friendly workplaces.

## **2. Common Recruitment and Retention Strategies**

An array of recommended practices addresses worker replacement and retirement issues on the horizon. Many of these techniques, such as transportation subsidies or flexible work arrangements, are familiar and well-established human resource practices. Other newer or more experimental practices, e.g., phased retirements, seek to manage the transition of older employees from the workforce to retirement.

Common recruitment strategies to acquire new employee talent include:

- Assessments for selection;
- External searches for entry-level positions;
- External searches for mid-level and senior-level positions;
- High school and college partnership programs;
- Internships;
- On-boarding (i.e., employee orientation); and
- Streamlined hiring processes for older/retired workers.

Common retention strategies to hold onto existing employee talent include:

- Career change programs;
- Deferred retirement programs;
- Use of exit surveys and interviews to identify and address causes of employee turnover;
- Phased or partial retirement; and
- Pay differentials for ongoing education or special certifications.



Common strategies that support both recruitment and retention of employee talent include:

- Salaries comparable to the private sector;
- Changing retirement or pension plans to address expected increases in retirees;
- Child care assistance programs;
- Employee referral plans;
- Telecommuting;
- Flexible job arrangements (e.g., alternative work schedules, job sharing, part-time);
- Wellness programs;
- Transportation subsidies; and
- Tuition assistance and student loan repayment plans.

### **3. Best Practices for Using Recruitment and Retention for Succession Management.**

Research suggests that recruitment and retention strategies are essential to ensuring an adequate supply of experienced talent in the future. CPS Human Resource Services (Young, 2003) found that minimizing future workforce supply-and-demand gaps required a coordinated action plan to address all phases of the employee life cycle, including recruitment and retention. In the study, jurisdictions that best addressed the challenges of an aging and retiring workforce employed a comprehensive human resource strategy that included:

- Recruitment and selection;
- Performance management;
- Compensation and benefits;
- Leadership development (including succession management, coaching, and mentoring);
- Training and development;
- Career management;
- Retention; and
- Retirement.

CPS' 2005 study (Young, 2005) further found that developing a leadership pipeline that addressed long-term developmental needs of employees at many levels and across the employee life cycle was the most effective way to enhance the public sector leadership pipeline. The eight elements of CPS' recommended approach are:

- Workforce and succession planning;
- Competency model;
- Recruitment, selection, and hiring;
- Training and development;
- Promotion and career mobility;
- Knowledge management;
- Retention; and
- Program evaluation.

This approach, which includes recruitment and retention, recognizes that an agency's development of successors for senior positions also necessitates the development of candidates to assume mid-level manager and difficult-to-fill positions. According to CPS, agencies with integrated succession management – rather than just-in-time approaches that address succession management separately from overall human capital strategy – are better positioned to have the right people in the right places in both the short- and long-term.

## **Chapter IV: MCPS' Workforce Data and Information Systems**

Montgomery County Public Schools (MCPS) collects data on a number of workforce measures that allow for workforce analysis, including demographic, turnover, and retirement data. This chapter is organized as follows:

- **Part A, Workforce Data Management Systems**, provides an overview of MCPS' workforce data management systems; and
- **Part B, Personnel Data**, summarizes MCPS workforce and retirement data.

### **A. Workforce Data Management Systems**

MCPS maintains three primary data management systems that support the tracking of the following employee data:

- Personal/demographic information;
- Payroll and benefits administration;
- Retirement eligibility;
- Training opportunities; and
- Performance evaluations.

All the systems link to one another in order to support organization-wide workforce planning and professional development. This section describes MCPS' three primary data management systems and two related systems.

#### **1. Human Resources Information System (HRIS)**

The Human Resources Information System (HRIS) is the primary workforce data collection tool used by MCPS' Department of Financial Services and the Office of Human Resources. MCPS customized the off-the-shelf software application and implemented it in 2001. The system maintains data for all MCPS employees, including date of hire, job category, years of service (within and outside of MCPS for teachers), adjusted hire date, breaks in service, and salary. In addition, MCPS processes payroll through HRIS. However, HRIS does not have the capability to track total contributions for the pension/retirement systems.

**Staff Statistical Profile.** As part of the annual budget process, MCPS submits a Staff Statistical Profile (SSP) to the County Council as part of the Personnel Management Review. This annual profile reports data compiled primarily from the HRIS and includes demographic, retirement, and employment data for the following MCPS positions:

- Administrators and supervisory positions;
- Principals;
- Assistant principals;
- Assistant administrators;
- Other Professionals (12-month MCEA);
- Teachers;
- New Teachers;
- Counselors;
- Support Services Personnel; and
- Paraeducators.

## **2. Benefits WorkStation (BW)**

MCPS tracks retirement data with the Benefits WorkStation (BW). Implemented in 2004, the BW is an off-the-shelf computer application customized by MCPS. The Department of Financial Services manages the BW used to track and project retirement data for MCPS.

The BWS is an integrated software package that manages and administers retirement data for employees with defined benefit plans. The system calculates retirement and benefits for all MCPS employees except for approximately 600 employees in an old retirement system. Retirement and benefit calculations for those 600 employees must be completed by hand.

The BW tracks retirement data on employees in the 15 State and County retirement plans (and the County supplemental plan) that MCPS employees participate in depending on their position and data of hire.<sup>1</sup> Currently, approximately 80% of the employees in the BW system are enrolled in one of the State plans.

Currently, no MCPS department or office surveys staff regarding when they expect to retire nor does MCPS conduct exit interviews to discern the reasons why staff leave MCPS employment. However, MCPS' Office of Human Resources hopes to elicit retirement and exit information from staff in the future.

## **3. Professional Development Online (PDO)**

The Professional Development Online (PDO) system manages MCPS' professional development administration. Implemented approximately five years ago, the PDO system provides an online repository for professional development information. MCPS' Office of Organizational Development (OOD) manages the PDO, with some collaboration with the Office of Human Resources (OHR). The PDO is connected to the Department of Financial Services' HRIS payroll function and to the certification credit tracking system in OHR's Certification Office.

The Office of Organizational Development and individual MCPS staff use the PDO system to manage professional development information. The OOD uses the PDO system to track all MCPS professional development information, including completion of training, attendance, and certification status. The system can also distribute information to all MCPS employees through email listservs.

Additionally, MCPS staff can access an electronic portfolio of all their professional activities through PDO. Staff can access information on professional development opportunities, monitor their professional development completion, and register for training. The program also informs staff of training requirements.

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<sup>1</sup> See MCPS' "Understanding Your Retirement" at [http://www.montgomeryschoolsmd.org/departments/ersc/docs/Understanding\\_Your\\_Retirement.pdf](http://www.montgomeryschoolsmd.org/departments/ersc/docs/Understanding_Your_Retirement.pdf) for a brief description of the retirement plans.

**Other MCPS Data Management Systems.** In addition to the primary data management systems described above, the Office of Human Resources also maintains an internal database that tracks employee evaluation data that is monitored on a quarterly basis. MCPS also is currently implementing two new data management systems:

- An applicant tracking system that will support new MCPS applicant recruitment and hiring processes; and
- Human Resources Online (HRO) that will support human resources management.

## B. Personnel Data

MCPS' workforce is a diverse team of educators, administrators, and support services personnel. This section describes workforce, retirement, and turnover data for all groups of MCPS employees and more detailed data for the members of the Montgomery County Association of Administrators and Principals (MCAAP) who represent MCPS' senior managers.

### 1. Workforce Data

MCPS' workforce is comprised of four employee unions and a cohort of executive senior level staff described in Table 4-1 below. MCPS' most senior level managerial staff (MCPS' executive staff, members of MCAAP, and members of MCBOA) made up less than 4% of MCPS overall workforce in FY 2009. Comparatively, teachers and other instructional professionals represented 54% of MCPS' workforce and support services personnel represented the remaining 42% of staff.

**Table 4-1: Description of MCPS Union/Employee Groups**

Union/Employee Groups	Includes	Percent of FY 2009 Workforce
Executive Staff	Appointed staff (non-union)	0.1%
Montgomery County Association of Administrators and Principals (MCAAP)	Central-office and school-based administrators and supervisors	3.2%
Montgomery County Business and Operations Administrators (MCBOA)	Non-certificated supervisory employees	0.4%
Montgomery County Education Association (MCEA)	Teachers and 12-month instructional positions	54.1%
Service Employees International Union Local 500 (SEIU)	Support services personnel	42.2%

The remainder of this section describes current and trend data for the MCPS workforce by size, diversity, and age trends among employees.

### a. Workforce Size

Since 2004, MCPS' total workforce has increased 8% (1,711 employees) to a total of 22,014 employees in 2009. Table 4-2 describes changes in the size of the MCPS workforce between 2004 and 2009 as follows:

- Among the employee associations, the greatest growth in number occurred among support services personnel (720 employees) and teachers (718 employees), while the greatest percentage increase in personnel occurred among administrators and principals (15%).
- By years of experience, the greatest growth both in number (1,394 employees) and percent (33%) occurred among employees with 5 to 10 years of experience (likely reflecting increases in MCPS staffing associated with reducing average class sizes and other MCPS initiatives).

**Table 4-2: Number of MCPS Employees by Union and Years of Experience, 2004-2009<sup>2</sup>**

	2004	2005	2006	2007	2008	2009	# Change	% Change
<b>Total</b>	<b>20,303</b>	<b>20,785</b>	<b>21,277</b>	<b>21,849</b>	<b>22,122</b>	<b>22,014</b>	<b>1,711</b>	<b>8%</b>
<b>Union</b>								
Executive Staff	20	21	20	22	23	22	2	10%
MCAAP	612	621	665	705	716	702	90	15%
MCBOA					86	91	91	NA
MCEA	11,199	11,410	11,655	11,936	12,067	11,923	724	6%
SEIU	8,562	8,742	8,946	9,192	9,298	9,288	726	8%
<b>Years of Experience</b>								
Up to 5 Years	8,318	8,426	8,475	8,998	8,321	7,727	-591	-7%
5-10 Years	4,231	4,698	5,321	5,543	5,824	5,625	1,394	33%
10-15 Years	2,670	2,663	2,649	2,690	2,972	3,421	751	28%
15-20 Years	2,171	2,361	2,301	2,152	2,173	2,153	-18	-1%
20-25 Years	1,238	1,217	1,303	1,372	1,504	1,633	395	32%
25-30 Years	1,273	1,170	1,163	1,038	987	943	-330	-26%
30+ Years	1,179	1,211	1,200	1,156	1,138	1,198	19	2%

Source: MCPS Staff Statistical Profile 2009

<sup>2</sup> Data in the table include the following:

- Union data are from MCPS Fact Sheets Head Count Data in the Student Statistical Profile. This data is collected at a different point in time (typically within 24 hours) than other demographic categories, so union data may not equal other demographic data. The MCPS Fact Sheet is run against "live" data and the SSP is completed with archived data. TOTAL numbers are based on non-union data.
- MCBOA members were part of SEIU prior to July 1, 2008.
- Years of Experience includes:
  - Years of Experience in MCPS for MCAAP, MCEA Other Professionals, MCEA Teachers;
  - Total Years of Experience for MCEA New Teachers; and
  - Years of Experience at MCPS and/or Montgomery County Government for MCBOA and SEIU.

## b. Workforce Diversity

Table 4-3 summarizes changes in MCPS' workforce between 2004 and 2009 by gender, race, and ethnicity. The data in the table show the following changes in the diversity of the MCPS workforce:

- 1,333 of the 1,711 (78%) new employees MCPS hired between 2004 and 2009 were people of color (i.e., Asian, Black, Latino, or Native American);
- The greatest growth in both number and percent of staff occurred among Asian and Latino employees who collectively represented 60% of all new hires.

**Table 4-3: Number of MCPS Employees by Gender, Race, and Ethnicity, 2004-2009**

	2004	2005	2006	2007	2008	2009	# Change	% Change
<b>Total</b>	<b>20,303</b>	<b>20,785</b>	<b>21,277</b>	<b>21,840</b>	<b>22,122</b>	<b>22,014</b>	<b>1,711</b>	<b>8%</b>
<b>Gender</b>								
Female	14,975	15,349	15,714	16,159	16,367	16,283	1,308	9%
Male	5,328	5,436	5,563	5,681	5,755	5,731	403	8%
<b>Race/Ethnicity</b>								
Asian	998	1,104	1,222	1,327	1,443	1,481	483	48%
Black	3,786	3,908	3,983	4,084	4,114	4,087	301	8%
Latino	1,374	1,516	1,616	1,729	1,849	1,922	548	40%
Native American	66	73	67	66	67	67	1	2%
White	14,079	14,184	14,389	14,634	14,649	14,457	378	3%

Source: MCPS Staff Statistical Profile 2009

MCPS' increases in the number of Asian and Latino staff hired since 2004 aligns with the school system's goal of increasing the number of Asian and Latino administrators in order to better reflect the diversity of its student body.

Table 4-4 on the next page summarizes the changing demographics of the administrators and principals in MCAAP. In FY 2009, Asians represented 3% of MCAAP members compared to 15% of MCPS students, and Latinos represented 3% of MCAAP members compared to 22% of MCPS students.

The data in Table 4-4 highlight the following changes in the diversity of MCPS' administrators and principals between 2004 and 2009:

- By gender, the greatest growth in number and in percent occurred among female administrators and principals;
- By race and ethnicity, the greatest growth in number occurred among black administrators and principals who represented nearly half of all new MCAAP members; and
- The greatest growth by percent occurred among Asian administrators and principals.

**Table 4-4: Number of MCAAP Employees by Gender, Race, and Ethnicity, 2004-2009**

	2004	2005	2006	2007	2008	2009	# Change	% Change
<b>Total</b>	<b>625</b>	<b>642</b>	<b>685</b>	<b>727</b>	<b>739</b>	<b>724</b>	<b>99</b>	<b>16%</b>
<b>Gender</b>								
Female	376	387	416	458	469	458	82	22%
Male	249	255	269	269	270	266	17	7%
<b>Race/Ethnicity</b>								
Asian	15	15	16	22	23	23	8	53%
Black	188	190	206	219	236	236	48	26%
Latino	23	25	23	24	22	23	0	0%
Native American	2	2	2	3	3	3	1	50%
White	397	410	438	459	455	439	42	11%

Source: MCPS Staff Statistical Profile 2009

### c. Aging of MCPS Workforce

One demographic trend critical to determining the need for succession planning is the aging of the workforce. Table 4-5 below highlights the number of employees by age group between 2004 and 2009. The data show that the number of employees age 60 and over has increased 55% (873 employees) in the past five years. This compares to 0 to 9% increase among younger age cohorts.

**Table 4-5: Number of MCPS Employees by Age, 2004-2009**

	2004	2005	2006	2007	2008	2009	# Change	% Change
<b>Total</b>	<b>20,303</b>	<b>20,785</b>	<b>21,277</b>	<b>21,840</b>	<b>22,122</b>	<b>22,014</b>	<b>1,711</b>	<b>8%</b>
Age 29 and below	2,885	2,967	3,104	3,359	3,275	3,053	168	6%
Age 30-39	4,184	4,344	4,419	4,507	4,566	4,561	377	9%
Age 40-49	5,466	5,434	5,458	5,562	5,569	5,448	-18	0%
Age 50-59	6,178	6,319	6,425	6,446	6,418	6,489	311	5%
Age 60 and above	1,590	1,721	1,871	1,966	2,294	2,463	873	55%

Source: MCPS Staff Statistical Profile 2009

Table 4-6 on the next page further illustrates MCPS' aging workforce by showing changes in the distribution of MCPS employees by age cohort between 2004 and 2009. Of note, employees age 60 and over grew from 8% to 11% of MCPS' workforce between 2004 and 2009 while the percentage of employees in the other age cohorts remained unchanged or decreased.

**Table 4-6: Distribution of MCPS Workforce by Age Cohort, 2004–2009**

	2004	2005	2006	2007	2008	2009	% Change
Age 29 and below	14%	14%	15%	15%	15%	14%	0%
Age 30-39	21%	21%	21%	21%	21%	21%	0%
Age 40-49	26%	26%	26%	26%	25%	25%	-1%
Age 50-59	30%	30%	30%	30%	29%	30%	-1%
Age 60 and above	8%	8%	9%	9%	10%	11%	3%

Source: MCPS Staff Statistical Profile 2009

## 2. Retirement Data

Each year in the Staff Statistical Profile, MCPS summarizes retirement data and retirement eligibility data for all MCPS employees by union membership.<sup>3</sup> MCPS maintains retirement data that could support the development of workforce and succession management plans. This subsection describes retirement eligibility and retirement trends for MCPS' workforce.

### a. Retirement Eligibility

MCPS maintains and reports data on the retirement eligibility of all employees. Generally, MCPS employees are eligible to retire if they have a combined 30 years of eligibility at any age, or if they are at least 62 years old with 5 years of MCPS service. For more information on retirement and retirement eligibility in MCPS, visit the MCPS Employee and Retiree Service Center website at <http://www.montgomeryschoolsmd.org/departments/ersc/>.

Table 4-7 on the next page summarizes by union the number and percent of MCPS current employees eligible to retire. Currently, 1,948 MCPS employees are eligible to retire, representing:

- 12% of central-office administrators;
- 10% of school-based administrators;
- 20% of business and operations administrators;
- 13% of other professionals;
- 6% of 10-month teachers; and
- 12% of support services personnel.

Table 4-7 also describes the additional numbers of current staff eligible to retire over the next five years. By 2013, 4,093 MCPS employees will be eligible to retire. This represents:

- 31% of central-office administrators;
- 20% of school-based administrators;
- 37% of business and operations administrators;
- 29% of other professionals;
- 14% of 10-month teachers; and
- 23% of support services personnel.

<sup>3</sup> The data does not include information on 600 MCPS employees who are in the older retirement system.



**Table 4-7: Retirement Eligibility of MCPS Workforce by Union  
(Number and Percent), 2009-2013**

	Eligible to Retire 2009	Annual Increase in Eligibility				Eligible to Retire 2009-2013
		2010	2011	2012	2013	
<b>Total</b>	<b>1,948</b>	<b>483</b>	<b>561</b>	<b>538</b>	<b>563</b>	<b>4,093</b>
	<b>9%</b>	<b>2%</b>	<b>3%</b>	<b>2%</b>	<b>3%</b>	<b>19%</b>
MCAAP Central-Office Administrators	28	4	9	14	17	72
	12%	2%	4%	6%	7%	31%
MCAAP School-Based Administrators	50	11	15	12	11	99
	10%	2%	3%	2%	2%	20%
MCBOA	18	6	5	4	1	34
	20%	7%	6%	4%	1%	37%
MCEA Other Professionals	56	8	15	25	18	122
	13%	2%	4%	6%	4%	29%
MCEA Teachers	694	190	226	211	255	1,576
	6%	2%	2.0%	2%	2%	14%
SEIU	1,102	264	291	272	261	2,190
	12%	3%	3%	3%	3%	23%

Source: MCPS Staff Statistical Profile 2009

Table 4-8 on the next page describes the number of current staff eligible to retire between 2013 and 2018. Within ten years, 7,296 MCPS employees representing 33% of the current workforce will be eligible to retire. This represents:

- 50% of central-office administrators;
- 36% of school-based administrators;
- 55% of business and operations administrators;
- 45% of other professionals;
- 25% of 10-month teachers; and
- 42% of support services personnel.

**Table 4-8: Retirement Eligibility of MCPS Workforce by Union  
(Number and Percent), 2014-2018**

Union	Eligible to Retire 2009-2013	Annual Increase in Eligibility					Eligible to Retire 2009-2018
		2014	2015	2016	2017	2018	
<b>Total</b>	<b>4,093</b>	<b>622</b>	<b>712</b>	<b>665</b>	<b>653</b>	<b>627</b>	<b>7,296</b>
	<b>19%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>33%</b>
MCAAP Central-Office Administrators	72	8	13	7	11	8	119
	31%	3%	6%	3%	5%	3%	51%
MCAAP School-Based Administrators	99	13	15	16	23	10	176
	20%	3%	3%	3%	5%	2%	36%
MCBOA	34	2	7	3	1	3	50
	37%	2%	8%	3%	1%	3%	55%
MCEA Other Professionals	122	23	15	14	10	7	191
	29%	5%	4%	3%	2%	2%	45%
MCEA Teachers	1,576	254	301	301	254	237	2,923
	14%	2%	3%	3%	2%	2%	25%
SEIU	2,190	309	346	308	331	353	3,837
	23%	3%	4%	3%	4%	4%	41%

Source: MCPS Staff Statistical Profile 2009

Table 4-9 provides more detailed information on the retirement eligibility for MCAAP school-based administrators. As the data show, principals and central-office administrators demonstrate similar rates of retirement eligibility with 30-31% being eligible to retire in the next five years, and 48-50% being eligible to retire within the next 10 years.

**Table 4-9: Retirement Eligibility of MCAAP Workforce by Position, 2009-2018**

Position	Percent Eligible 2009-2013	Annual Increase in Eligibility					Percent Eligible 2009-2018
		2014	2015	2016	2017	2018	
Central-Office Administrators	31%	3%	6%	3%	5%	3%	<b>50%</b>
Principals	30%	3%	5%	4%	5%	3%	<b>48%</b>
Assistant Principals	16%	3%	2%	3%	5%	2%	<b>30%</b>
Assistant Administrators	0%	4%	0%	7%	4%	0%	<b>14%</b>

Source: MCPS Staff Statistical Profile 2009

## b. Retirement Trends

This section summarizes several different retirement trends in MCPS between 2004 and 2008, compiled from MCPS' annual Staff Statistical Profile.

**Number of Retirements.** Table 4-10 on the next page shows the retirement trends for each MCPS union between 2004 and 2008. Over those five years, 2,605 MCPS staff have retired, primarily consisting of teacher retirements (53%) and support staff retirements (41%).

**Table 4-10: Number of Retirements among MCPS Employees by Union, 2004-2008**

	2004	2005	2006	2007	2008	Total
<b>Total</b>	<b>511</b>	<b>537</b>	<b>476</b>	<b>543</b>	<b>538</b>	<b>2,605</b>
<b>MCAAP</b>	35	32	24	34	30	155
Central-Office Administrators	14	13	9	17	18	71
Principals	11	14	8	7	6	46
Assistant Principals	10	5	7	9	5	36
Assistant Administrator	0	0	0	1	1	2
<b>MCEA Teachers*</b>	278	248	231	287	328	1,372
<b>SEIU</b>	198	257	221	222	180	1,078

\*Data for MCEA Other Professional Not Available in Staff Statistical Profile

Source: MCPS Staff Statistical Profile

**Percentage of Workforce Retiring.** The next table shows the percent of each union workforce that retired between 2004 and 2008. The data show that approximately 4-6% of the MCAAP workforce retires each year, compared to the annual retirement of approximately 2% each of the MCEA and SEIU workforces. Within MCAAP, central office administrators have the highest rates of retirements.

**Table 4-11: Percentage of MCPS Workforce Retiring by Union, 2004-2008**

	2004	2005	2006	2007	2008	Change
<b>MCAAP</b>	5.5%	4.9%	3.5%	4.6%	4.0%	-1.5%
Central-Office Administrators	6.5%	5.7%	3.7%	6.7%	7.2%	0.7%
Principals	5.7%	7.3%	4.0%	3.4%	3.0%	-2.7%
Assistant Principals	5.2%	2.5%	3.2%	3.7%	1.9%	-3.3%
Assistant Administrator	0%	0%	0%	2.6%	2.9%	2.9%
<b>MCEA – Teachers*</b>	2.5%	2.2%	2.0%	2.4%	2.7%	0.2%
<b>SEIU</b>	2.3%	2.9%	2.4%	2.4%	1.9%	-0.4%

\*Data for MCEA Other Professional Not Available in Staff Statistical Profile

Source: MCPS Staff Statistical Profile

**Age of Retirement.** The following table describes the average age of retirement for MCPS employees by union between 2004 and 2009. The average retirement age for both MCAAP and MCEA employees increased by about 2 ½ years (4 - 5%) between 2004 and 2009 – from age 58 to 60 ½ for MCAAP members and from age 59 to 62 for MCEA members. Among SEIU members, the average age of retirement increased from 61 to nearly 62 years of age.

Of note, MCPS' trends in average age of retirement align with the assumptions utilized in MCPS' actuarial valuations of its Employees' Retirement and Pension Systems. An assumed retirement age of 60 is used for participants in the Employee Retirement System; and an assumed retirement age of 62 is used for participants in the Employee Pension System.<sup>4</sup>

<sup>4</sup> Montgomery County Public Schools Annual Review and Actuarial Valuation of the Employees' Retirement and Pension Systems as of July 1, 2008, Mercer, October 2008

**Table 4-12: Average Age of MCPS Retirees by Union, 2004-2009**

Union	2004	2005	2006	2007	2008	2009	# Change	% Change
<b>Total</b>	<b>59.5</b>	<b>60.2</b>	<b>60.4</b>	<b>60.5</b>	<b>61.2</b>	<b>61.6</b>	<b>2.1</b>	<b>3.5%</b>
MCAAP	57.9	58.6	58.6	58.6	59.2	60.5	2.6	4.5%
MCEA	58.9	59.8	60.0	59.9	60.6	61.5	2.6	4.4%
SEIU	60.9	60.9	61.0	61.8	62.4	61.8	0.9	1.4%

Source: MCPS Department of Financial Services

**Comparison of MCAAP Retirement Eligibility and Actual Retirements.** Table 4-12 compares the number of MCAAP staff eligible to retire compared with staff who did retire. For this comparison, OLO used the retirement eligibility data for MCAAP staff available in the FY05 Staff Statistical Profile. The retirement eligibility was compared with MCAAP retirements from 2005-2008, as 2009 retirement data was not available as of this report.<sup>5</sup> The data show that a total of 194 MCAAP staff would be eligible to retire between 2005 and 2009. Of these staff, approximately 62% did retire, including 78% of eligible central office staff.

**Table 4-13: Comparison of Number of MCAAP Staff Eligible to Retire to Number of Retirements, 2005-2009\***

	Eligible to Retire	Number Retired	Percent
<b>Total</b>	<b>194</b>	<b>120</b>	<b>62%</b>
Central-Office Administrators	79	57	78%
School-Based Administrators	115	63	55%

\*Retirement eligibility data is for years 2005-2009 (source: Staff Statistical Profile 2005) and data for the Number Retired includes retirements from 2005-2008 (source: Staff Statistical Profile 2008)

Source: MCPS Staff Statistical Profile

### 3. Turnover and Recruitment Data

Employees can vacate MCPS positions through methods other than retirement, such as termination or transfer/promotion. Like retirements, when these occur, MCPS typically needs to refill these positions. The following table shows the total turnover for MCPS employees for the past five years, including the number of retirements, terminations, and transfers/promotions.

<sup>5</sup> OLO also completed a comparison of the total number of MCAAP staff who were eligible to retire 2005-2009 with the number of actual retirements from 2004-2008, a comparison of five-year time frames. This comparison found that 80% of MCAAP staff who were eligible to retire in a five year time frame did retire. Specifically, 73% of school-based MCAAP staff retired and 90% of central office based MCAAP retired in the five year time frame.

**Table 4-14: Number and Distribution of MCPS Staff Separations by Union, 2004-2008**

	2004	2005	2006	2007	2008	Total	Total Distribution of Separations
<b>Total</b>	<b>1,750</b>	<b>1,775</b>	<b>1,820</b>	<b>1,838</b>	<b>1,751</b>	<b>8,934</b>	
Terminations	1057	1122	1153	1124	979	5435	61%
Retirements	511	537	476	543	538	2605	29%
Transfers and Promotion	182	116	191	171	234	894	10%
<b>MCAAP</b>	<b>53</b>	<b>61</b>	<b>62</b>	<b>70</b>	<b>66</b>	<b>312</b>	
Terminations	11	17	24	15	24	91	29%
Retirements	35	32	24	34	30	155	50%
Transfers and Promotion	7	12	14	21	12	66	21%
<b>MCEA</b>	<b>997</b>	<b>980</b>	<b>966</b>	<b>1,020</b>	<b>938</b>	<b>4,901</b>	
Terminations	606	627	632	631	556	3,052	62%
Retirements	278	248	231	287	328	1,372	28%
Transfers and Promotion	113	105	103	102	54	477	10%
<b>SEIU</b>	<b>700</b>	<b>785</b>	<b>793</b>	<b>747</b>	<b>696</b>	<b>3,721</b>	
Terminations	440	478	497	478	399	2,292	62%
Retirements	198	257	221	222	180	1,078	29%
Transfers and Promotion	62	50	75	47	117	351	9%

Source: MCPS Staff Statistical Profile 2009

Overall, MCPS has an average of 1,787 separations each year. An analysis of data in Table 4-14 demonstrates that from 2004 to 2008, about half of MCAAP separations occurred due to retirements compared to 28-29% of MCEA and SEIU separations.

**Workforce Recruitment.** In the Staff Statistical Profile, MCPS reports whether employees hired into MCAAP leadership positions were MCPS employees prior to hiring. Overall, a majority of principal, assistant principal, administrator, and assistant administrator hires comes from internal MCPS staff.

The data in Table 4-15 on the next page show that of 789 total hires for all MCAAP job categories between 2005 and 2009, 79 were external hires (10%) compared with 710 internal hires (90%). The high rate of hire for internal candidates may be attributable to the professional growth system for MCPS employees.

**Table 4-15: Number and Distribution of MCAAP  
Positions Filled by Internal vs. External Candidates, 2005-2009**

	2005	2006	2007	2008	2009	Total	Total Distribution of Hires
<b>MCAAP</b>							
<b>Total</b>	<b>135</b>	<b>159</b>	<b>190</b>	<b>210</b>	<b>65</b>	<b>789</b>	
External	10	20	27	19	3	79	10%
Internal	125	139	163	191	62	710	90%
<b>Central-Office Administrators</b>							
<b>Total</b>	<b>57</b>	<b>83</b>	<b>93</b>	<b>74</b>	<b>33</b>	<b>340</b>	
External	6	11	16	9	2	44	13%
Internal	51	72	77	65	31	296	87%
<b>Principals</b>							
<b>Total</b>	<b>29</b>	<b>27</b>	<b>22</b>	<b>32</b>	<b>10</b>	<b>120</b>	
External	2	5	6	3	1	17	14%
Internal	27	22	16	29	9	103	86%
<b>Assistant Principals</b>							
<b>Total</b>	<b>49</b>	<b>63</b>	<b>59</b>	<b>90</b>	<b>14</b>	<b>275</b>	
External	2	3	5	6	0	16	6%
Internal	47	60	54	84	14	259	94%
<b>Assistant Administrators</b>							
<b>Total</b>	<b>0</b>	<b>16</b>	<b>16</b>	<b>14</b>	<b>8</b>	<b>54</b>	
External	NA	1	0	1	0	2	4%
Internal	NA	15	16	13	8	52	96%

Source: MCPS Staff Statistical Profile 2009

## Chapter V: A Review of MCPS Succession Management Strategies

This chapter describes MCPS' succession management strategies that ensure that the school system retains workforce skills, knowledge, and abilities when senior staff members leave. While MCPS has not developed a strategic workforce or succession management plan, it has implemented a number of strategies aimed at supporting successions among key school system leaders. MCPS' efforts are described in five parts.

- **Part A, MCPS' Strategic Plan**, describes *Our Call to Action* - MCPS' strategic plan, and the Office of Human Resources' strategic plan to staff the school system;
- **Part B, Workforce and Succession Planning**, describes MCPS' application of strategic workforce and succession management planning;
- **Part C, Leadership Development Practices**, describes MCPS' efforts to develop internal candidates to replace existing administrators and managers when they leave;
- **Part D, Knowledge Management Practices**, describes MCPS' plan to retain and transfer organizational knowledge when critical employees leave MCPS; and
- **Part E, Recruitment and Retention Practices**, describes MCPS' efforts to recruit and retain workforce talent, particularly among administrators and supervisors.

### A. MCPS' Strategic Plan

In 1999, MCPS developed the first edition of *Our Call to Action: Pursuit of Excellence*, which serves as MCPS' global strategic plan. The current 2008-2013 edition identifies five System Goals with associated milestones and performance measures that MCPS tracks in the *Annual Report on Our Call to Action*. The Goals are:

- Ensure success for every student;
- Provide an effective instructional program;
- Strengthen productive partnerships for education;
- Create a positive work environment in a self-renewing organization; and
- Provide high-quality business services that are essential to the educational success of students.

Each office within MCPS develops its own strategic plan to execute *Our Call to Action*, including the Office of Human Resources, which bears the primary agency responsibility for staffing the school system. The Office of Human Resources' (OHR) mission is to "provide the school system with the highest quality staff in every position in the school system." Towards this end, OHR has identified several strategic goals that include:

- Reducing the time it takes to fill vacancies;
- Improving on the hiring of high-quality performing employees;
- Retaining high-quality performing employees; and
- Promoting diversity in the workforce.

Table 5-1 provides an excerpt of the data that OHR tracks to monitor progress on its strategic goals. Of note, OHR has exceeded a majority of measures in 2008 for recruiting, hiring and, retaining a diverse workforce. MCPS overall has experienced a 7.2% turnover in administrators and supervisors compared to 6.5% turnover among teachers and 6.1% turnover among support services staff.

**Table 5-1: Workforce Targets in Office of Human Resources Family of Measures**

Objective	Performance Measure	Measurement Unit/Scale	Goal	Level of Performance	Last Report Date
Recruit, hire, and retain a diverse workforce.	Administrator and Supervisory Diversity	% by race/ethnicity	Increase	38.4%	Oct. 2008
	Teacher Diversity	% by race/ethnicity	Increase	21.0%	Oct. 2008
	Supporting Services Diversity	% by race/ethnicity	Increase	49.6%	Oct. 2008
Recruit, hire, and retain a highly qualified workforce in a timely manner.	Qualified staff in all vacancies	% of new teacher positions filled on the opening day of school	Above 93%	92%	Oct. 2008
		% fill-rate of support services positions	Above 95%	98%	Mar. 2009
		% of newly hired teachers eligible for regular education certification	Above 75%	91%	Oct. 2008
		% of newly hired teachers designated “highly qualified” in the core academic subject taught	Above 85%	87%	Oct. 2008
		% of new (novice and experienced) teachers meeting evaluation standard	98%	93%	July 2008
		% teachers meeting evaluation standard	99%	98%	July 2008
Increase the number of teachers who are national board certified.	National Board Certified Teachers	# of teachers	240 (5% increase)	363	July 2008
Maintain a high percentage of new contract offers accepted.	Teacher Contract Acceptance Data	% of offers accepted	90%	96%	Oct. 2008
Reduce turnover among employees.	Administrative and Supervisory Turnover	% turnover	Decrease	7.2%	Oct. 2008
	Teacher Turnover	% turnover	Decrease	6.5%	Oct. 2008
	Support Services Turnover	% turnover	Decrease	6.1%	Oct. 2008

Source: MCPS Office of Human Resources, Revised March 31, 2009



## B. Workforce and Succession Planning,

MCPS has taken an ad hoc approach to both strategic workforce planning and succession management, which includes identifying critical shortage areas among teachers and addressing succession planning in its union contracts. Most of MCPS' succession management efforts have focused on its Leadership Development Program to train high quality principal candidates to replace principals when they leave the school system. The next section describes this program.

### 1. Workforce Planning

As noted in Chapter III, the strategic workforce planning process, aimed at ensuring “the right people in the right jobs at the right time,” entails five steps:

- Develop organizational strategic plan;
- Assess current workforce;
- Identify current and projected workforce gaps;
- Implement strategies designed to narrow the gaps and develop measures; and
- Assess the effectiveness of strategies by comparing trends to targets.

MCPS has developed a system-wide strategic plan with *Our Call to Action*. MCPS, however, does not have a strategic workforce plan for all or most employees relative to its future workforce needs. Yet, MCPS collects data on a number of measures that could inform the development of a strategic workforce plan. For example, as noted in Table 5-2 below, MCPS has identified several critical shortage areas among teachers.

**Table 5-2: MCPS Critical Shortage Areas for Teachers, 2008-2009**

<b>Highest Need</b>	Speech Pathologist Special Education Chemistry Computer Science Early Childhood Education Foreign Language (Spanish, French) French/Spanish/Chinese Immersion (Elementary) Mathematics Media Specialist Occupational Specialist Physical Therapist Physics Reading Specialist (Elementary and Middle School) Technology Education
<b>Second Highest Need</b>	General Music Sciences
<b>Third Highest Need</b>	Physical Education/Health School Psychologist Vision

Source: MCPS Office of Human Resources

The absence of a strategic workforce plan stands in contrast to both the long-range planning process MCPS utilizes to ensure enough classrooms for projected enrollment and its annual Special Education Staffing Plan that is designed to ensure that sufficient staff is available to meet the needs of students with disabilities. MCPS' long-range educational facilities planning process is dictated by Board of Education Policy FAA; and its annual special education staffing plan is required by Code of Maryland Regulations (COMAR) § 13A.05.02.13 D.

## **2. Succession Planning**

Succession planning refers to the preparation of staff to fill critical leadership positions within an organization. The core elements of succession planning are (a) assess the potential for vacancies in key positions, (b) assess the readiness of current staff to assume these positions, and (c) develop strategies to enhance the candidate pool for key positions.

MCPS does not have a succession management plan for many of the school system's most senior positions. For example, some division directors have deputies who could potentially succeed into their positions (e.g., MCPS directors of Maintenance and Transportation), but many do not. In contrast, MCPS has articulated specific succession paths for school-based administrators that are supported by the Leadership Development Program described in the next subsection.

MCPS' current union contracts with the Montgomery County Association of Administrators and Principals (MCAAP) and Montgomery County Business and Operations Administrators (MCBOA) demonstrate the school systems and employee associations' interest in enhancing succession planning. Specifically, both contracts include the following language:

Succession Planning - The parties will study succession planning initiatives in MCPS to prepare individuals for school-based administrative positions and appropriate central services administrative positions. This study will focus on the ability of the current processes to provide qualified internal candidates for vacancies.

As of yet, MCPS, has not conducted a formal succession planning study nor are there current plans for one. Instead, MCPS' Office of Organization Development has been working with the joint MCPS/Union Leadership Development Advisory Committee and the joint management and employee implementation teams for each association's Professional Growth System to develop additional training opportunities for staff to enhance their competitiveness for promotions (see page 47).

## **C. Leadership Development Practices**

MCPS' leadership development practices are designed to increase the internal pipeline of candidates for key positions. This subsection describes three leadership development programs:

- Higher education partnerships for leadership development;
- The Leadership Development Program for principals; and
- Manager development for MCPS' business operations.

Collectively, these programs work together to create succession paths for future school leaders and managers of MCPS' business operations.

## 1. Higher Education Partnerships for Leadership Development

MCPS' Office of Organization Development (OOD) manages several leadership development partnerships with higher education institutions. These partnerships allow MCPS personnel to seek certifications necessary for instructional-based leadership positions (e.g., principals). According to MCPS, "these programs are for MCPS professional staff who are interested in pursuing a master's degree or certification in Administration and Supervision or a doctoral degree in Educational Leadership and Policy."<sup>1</sup>

MCPS' partnerships include the following institutions:

- Bowie State University – Administration and Supervision (A&S) certification or master's degree;
- Hood College – A&S certification or master's degree;
- Johns Hopkins University – A&S certification;
- McDaniel College – A&S certification or master's degree;
- Towson University – A&S certification; and
- University of Maryland – Ed.D. in Organizational Leadership and Policy Studies and eligibility for superintendent certification.

MCPS' tuition reimbursement policy and salary schedule provide incentives for MCPS teachers to participate in the leadership development partnerships. MCPS reimburses up to half the tuition for 9-12 credits per calendar year and teachers can move up on the MCEA salary schedule by completing these programs. Teachers who earn a masters degree or equivalent move from MCEA salary Schedule A to B. If they earn 30 more credit hours they move from Schedule B to C and if they earn 60 more credit hours, from Schedule C to D. Table 5-3 describes the current MCEA FY10 salary scale.

**Table 5-3: MCPS Teacher and Other Professional Salary Schedule,\*  
Effective July 1, 2009 – June 20, 2010**

Schedule	Degree and Credit Requirements	Salary Range 10-month employees*	Salary Range 12-month employees
<b>A</b>	Bachelors Degree	\$46,410 – 62,201	
<b>B</b>	Masters Degree or Equivalent	\$51,128 – 94,832	\$60,075 – 111,428
<b>C</b>	Masters Equivalent + 30 Credit Hours	\$52,630 – 98,870	\$61,841 – 116,172
<b>D</b>	Masters Equivalent + 60 Credit Hours	\$53,990 – 101,354	\$63,438 – 119,091

\* After six years at Step 19, an employee will receive a 2.25 percent longevity increase  
Source: MCPS FY10 Adopted Operating Budget

<sup>1</sup> MCPS brochure, A Guide to Higher Education Partnership Programs available at [http://www.montgomeryschoolsmd.org/departments/development/teams/programs/pdfdocuments/HEP\\_Brochure\\_2009-2010.pdf](http://www.montgomeryschoolsmd.org/departments/development/teams/programs/pdfdocuments/HEP_Brochure_2009-2010.pdf)

## **2. Leadership Development Program for Principals**

MCPS' Office of Organizational Development also manages the Leadership Development Program (LDP) that develops internal principal candidates. The LDP is an intensive four- to five-year program that includes job-embedded professional development, leadership seminars, and training.

All school and central office staff interested in becoming school-based administrators may apply to the program. To apply to the assistant principal promotion pool, candidates must attend the Future Administrators Workshops, complete the Observing and Analyzing Teaching I course, have successful teaching experience and earned an Administration and Supervision certification. The application also requires that candidates submit a resume, references, and a writing sample.

The progression from assistant principal to principal differs at the elementary and secondary school levels:

- At the elementary level, aspiring principals serve as novice assistant principals for 1 year (AP1), then as second year assistant principals (AP2) to complete their assistant principal training program. Next, the assistant principal applies to become an elementary principal intern. If selected, the elementary AP receives additional leadership development supported by the building principal, community superintendent, and another executive staff member. During the internship year, the elementary principal intern takes over the leadership of the school for three months while the building principal usually takes on a special project at central office. After successful completion of the elementary internship program, the intern is eligible to be considered for interviews for elementary vacancies.
- At the secondary level, applicants can apply to enter the AP eligibility pool or enter it directly if they are teacher leaders (e.g., staff development teachers). After completing the AP1 and AP2 year, an assistant principal can apply to be a secondary intern for an additional year of leadership development. This additional training is supported by the building principal, community superintendent and another executive staff member. During the internship year, the secondary principal intern takes over the leadership of the school for four to six weeks while the building principal usually takes on a special project at central office. After completion of the internship year, the principal intern is eligible to be considered for interviews for secondary vacancies.

According to Jaime Virga, Associate Superintendent for Organizational Development, MCPS has continued to develop and expand its leadership development program over the past ten year by adding a secondary internship program, increasing alignment between the elementary and secondary programs, and creating new professional development for veteran leaders and central services administrators. The current model is MCPS' response to increasingly complex demands on principals under standards-based reform (e.g., No Child Left Behind) and the increasing needs of MCPS' diverse student body.

MCPS' seeks to provide candidates more real life chances to perform as principals and to increase candidates' success once they become principals. Virga sees such programs as rare, particularly the internship component of the Leadership Development Program, but effective in enabling a smooth transition between principals. Currently, most principal hires are internal candidates (see prior chapter). Conversely, MCPS primarily uses normal recruitment procedures to fill most non-school based administrative vacancies. As a consequence, external hires represent a larger share of central office administrative hires.

**Current participation.** OOD is currently reviewing the principal Leadership Development Program. The need for principals in any given year varies. Because retirements have diminished over the last couple of years, MCPS currently has a backlog of assistant principals who have completed the leadership development program but have not become principals.

A few years ago there were 30 openings for new principals, but this year there will be less than a dozen. Last year there were 21-22 principal interns; next year they anticipate a cohort of 14 interns. OOD anticipates that it will train fewer AP1's next year. Candidates who begin the program and decide against becoming a principal can transition back to the classroom. MCPS is also encouraging some candidates to consider applying for central office positions.

The additional cost of the principal internship component of the program is an assistant principal salary for the retired principal that is hired to support the intern when they assume leadership of the school. Table 5-4 below describes the number of participants in the Leadership Development Program since 2005. Of note, in 2007, 95% of MCPS' elementary principal hires completed the LDP and 93% of MCPS' secondary principal hires completed this program.

**Table 5-4: Number of Leadership Development Program Participants, 2005-2008**

<b>Participants:</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Pool of Applicants for LDP</b>				
Future Administrators Workshop Completers	109	149	127	n/a
<b>Elementary Leadership Program</b>				
Elementary AP1	18	30	35	35
Elementary AP2	19	18	25	39
Elementary Interns	13	14	17	16
New Elementary Principals	16	22	18	18
<b>Secondary Leadership Program</b>				
Secondary AP1	25	25	20	26
Secondary AP2	18	18	32	20
Aspiring Secondary Principals	35	35	38	32
Secondary Interns	12	12	9	8
New Secondary Principals	15	15	12	7

Source: MCPS' Office of Organizational Development

### **3. Manager Development for MCPS' Business Operations**

MCPS also offers several leadership development programs to enhance productivity and succession among supervisors and managers of MCPS' business operations. These programs are for SEIU personnel within the Department of Transportation, and the Divisions of Food and Nutrition Services, Maintenance, and School Plant Operations.

**Department of Transportation.** The Department of Transportation requires all managers to take courses in supervision, bus routing, and business applications in order to increase productivity. The Department of Transportation also encourages staff members who aspire to become managers to participate in manager training as well.

Recently, the Department developed a new position – a bus route supervisor – both to enhance supervision and quality control and to increase the number of staff ready to assume manager positions within the Department. Bus route supervisors serve as half time supervisors and half time drivers. Many individuals currently in this position are first time supervisors. The Department currently is developing a training program for this position. The Department of Transportation has its own training unit, but also partners with Montgomery County's Office of Human Resources to provide training and coursework.

**Division of Food and Nutrition Services.** The Division of Food and Nutrition offer two leadership development courses to improve the capacities and skills of the food services workforce.

- **Today's Manager Class.** This weeklong course describes the history of the school lunch program and discusses federal rules and micro concepts such as nutritional requirements, menu planning, financial management, communicating with administrators, and supervising cafeteria staff. Staff seeking promotions to cafeteria manager must pass an assessment that covers the materials in this course.
- **Food Safety Class.** MCPS offers this nationally-certified course several times a year and, if the budget permits, in Spanish and Chinese. Potential managers are encouraged to take the course and cafeteria managers are required to pass the course.

**Division of Maintenance.** Since FY 2003, the director of the Division of Maintenance has provided training to enable continuous staff improvement and to prepare internal candidates for supervisory and manager positions within the Division. The director developed the leadership development program to improve succession planning for future organizational leaders because approximately two-thirds of Maintenance supervisors and manager are currently eligible for retirement. Currently, the Division offers three 12-hour courses.

- **Basic Course.** This course provides entry-level instruction in leadership and organizational management. Subjects include: workplace priorities and expectations; principles of leadership; team building and productivity; work force diversity; the Supporting Service Professional Growth System, career planning, and competition for leadership positions. This course is mandatory for new supervisors and encouraged for front line staff members seeking promotion.

- **Intermediate Course.** Begun in FY 2009 due to staff demand, this course builds on the basic course, but adds new subjects of interest or looks at former subjects from a new perspective. New subject materials include an examination of types of intelligence (learning styles), an introduction to project management, and a cultural competence workshop. This course is encouraged for staff who have completed the basic course.
- **Advanced Course.** This course is designed to raise the level and broaden the scope of leaders' thinking, planning, and management skills. Subjects include: new instruction in key aspects of leadership; performance guidelines for leaders and staff member; strategic planning, thinking, and management; and organizational problem solving. The advanced course has been made mandatory for incumbent leaders.

Roy Higgins, director of the Division of Maintenance, reports that collectively, the courses provide him an opportunity to conduct sustained, face-to-face leadership training with approximately one-third of the maintenance workforce each fiscal year. Results from this initiative include improved employee satisfaction based on annual department surveys, a reduced number of employee grievances, and improved organizational productivity.

**Division of School Plant Operations.** The School Plant Operations career pathway is designed to increase the number of qualified staff and managers, particularly among difficult-to-fill assistant building service manager (night manager) positions. The Division offers three sets of courses.

- **Basic Skills and Boiler Courses** - required of essentially all building services personnel.
- **Supervisory and Leadership Courses** - required of current and potential supervisors of the school-based building services team.
- **Mechanical Skills Training Course** - required of Plant Equipment Operators, Assistant Building Service Managers, and Building Service Managers to ensure the proper use and upkeep of operational equipment.

Additionally, building service supervisors who serve as the central office managers for school plant operations take supervisory and leadership coursework and often co-train with their peers in Maintenance. Table 5-5 on the next page describes the courses required or recommended for specific positions.

**Table 5-5: Summary of MCPS School Plant Operations Courses**

SPO Course	Building Service Worker	Plant Equipment Operator	Building Service Assistant Manager	Building Service Manager
<b>Basic Skills &amp; Boiler Courses</b>				
<b>Basic Skills:</b> Certifies employees in basic MCPS cleaning procedures.	X	X	X	X
<b>Boiler Course and Certification:</b> Aligns with Stationary Engineers License requirements.	Recommended	X	X	X
<b>Supervisory &amp; Leadership Courses</b>				
<b>Introductory Supervisory &amp; Leadership</b>		X	X	X
<b>Advanced Supervisory &amp; Leadership</b>			Recommended	X
<b>Mechanical Skills Training Courses</b>				
<b>Plant Equipment Operations</b>		X	X	X
<b>Air Conditioning</b>		X	X	X

Source: MCPS Division of School Plant Operations website

#### D. Knowledge Management Practices

Knowledge management refers to strategies utilized by agencies to ensure that years of accumulated knowledge do not leave the agency when an employee leaves. MCPS employs a number of strategies to retain and transfer knowledge, described below.

**Management through Key Work Processes.** MCPS is in the process of identifying, documenting, and enhancing its key work processes to help achieve the performance goals identified in *Our Call to Action*. A key process is defined as one that is vital to the success of an office: without its successful implementation, the office will not be able to achieve its goals. For example, the master scheduling process is a key work process of the Office of School Performance, while the routing and scheduling of school buses is a key work process for the Department of Transportation.

MCPS focus on process management began a few years ago following a review of MCPS' Baldrige implementation by a national review panel. The Baldrige framework seeks to foster continuous organizational improvement in part by identifying, benchmarking, and replicating the actions of high-performing organizations.

As part the Baldrige review, the examiners posed the following question: if all 22,000 of MCPS employees left on a Friday and were replaced by all new staff the following Monday, what would the new employees do? The examiners expected each MCPS office and unit to offer a map of its key work processes. Some departments provided maps while others did not understand what a key work process was.



MCPS recognizes that every office has processes, but not all of these processes are formalized, documented, or managed well. Consequently, MCPS has embarked on a two-year strategy focused on the following four tasks:

1. In May 2009, each office/department was asked to map their key processes and develop an action plan to evaluate these key work processes.
2. During the summer of 2009, each office will identify and map their five most critical work processes utilizing the Inputs, Guides, Outputs, and Enablers framework below to address the following four subtasks:
  - a. Inputs – What do we need to do this (e.g. information, materials, people)?
  - b. Guides – What policies/regulations guide why, when and how we do what we do?
  - c. Outputs – What do we produce or deliver (e.g. results, information)?
  - d. Enablers – Where do we do it and who/what helps us do it?
3. Each office will identify both in-process and outcome measures to analyze whether key work processes are reaching their intended goals.
4. Each office will develop a communications plan for employees that are impacted by or involved in the key processes.

MCPS hopes that within two years, every department will articulate, publish, evaluate, map, and create performance measures for each of its key work processes.

**Job-Aides for Principals.** The Leadership Development Team in concert with other offices and the Leadership Development Advisory Committee has developed a number of resources to transfer core knowledge among principals. These include:

- A principal resource bank that provides an online database of more than 500 documents;
- A principal handbook developed by the Office of School Performance;
- An on-line principal toolkit to support family outreach developed by the Office of Family and Community Services;
- Professional development for current principals who are training assistant principals; and
- A consulting principal manual that outlines processes for supporting, coaching, and mentoring to novice and under-performing principals.

**Cross-Functional Teams.** Some MCPS departments use cross-functional staff teams to ensure that staff back-ups are in place for key positions. For example, the Department of Transportation's central office is organized around four teams: training, transportation operations support, operations, and fleet management.

**Job-Alike Networks.** MCPS is creating job-alike networks to transfer knowledge and to support leadership development among staff in different MCPS departments with similar jobs. MCPS' Office of Organizational Development is also hosting brown bag luncheons and has added central-administrator strands to the Superintendent's Administrative and Supervisory meetings.

**Job Shadowing for Central Office Functions.** Several of the departments that support the operation of MCPS have a director and an assistant director (e.g., Division of Maintenance). This organization allows for the assistant director to obtain considerable administrative experience and be a competitive applicant if the director is promoted or retires.

On rare occasions, incoming staff can shadow outgoing staff to ensure the retention of core knowledge. For example, the Department of Financial Services selected an internal candidate to replace an employee scheduled to retire in July 2009 a few months before the employee retired. This allowed some overlap and transfer of knowledge before the candidate's start date and the current employee's retirement. These scenarios, however, are extremely rare for several reasons:

- MCPS typically cannot afford to budget for overlapping positions;
- The State of Maryland requires a 45-day separation for retirees prior to re-employment, which can prevent a retired employee from coming back to mentor a new employee;
- The State of Maryland has an earning limitations for employees drawing pensions from the State, which can hinder MCPS' ability to fully pay a retired employee to return and mentor a new employee; and
- The State of Maryland also does not allow employees to begin collecting a pension when they are eligible for retirement while still working for the school system, providing a disincentive for retiring employee to stay beyond their retirement eligibility date.

These policies can make knowledge transfer difficult among "singletons" within central administration who deliver internal services.

## **E. Recruitment and Retention Practices**

MCPS' Office of Organizational Development bears the primary responsibility for implementing the three professional growth systems (PGS) for administrators and supervisors, teachers, and support services personnel. Each PGS seeks to provide a comprehensive system for recruiting, staffing, developing, evaluating, recognizing, and retaining high-quality staff in all MCPS schools and offices. Common components of each include:

- Competency-based performance standards;
- Professional development opportunities; and
- Development of communities of learners to foster continuous improvement and to support a distributive leadership model that spreads decision-making authority throughout the school.

MCPS' Administrators and Supervisors professional growth system is described on the next page.

**Standards for Administrators and Supervisors (A&S).** MCPS' has six standards that administrators and supervisors are expected to demonstrate, which align with the ISLLC standards.<sup>2</sup>

1. Facilitate a vision of teaching and learning that is shared and supported by the school community and/or implements the school system's strategic plan;
2. Sustain a culture of professional growth, high expectations, and an instructional program conducive to student learning and staff professional growth;
3. Manage the organization, operations, and resources for a safe, efficient, and effective learning environment;
4. Collaborate with school staff and other stakeholder groups including students, families, and community members;
5. Model professionalism and professional growth in a culture of continuous improvement to create a positive work environment; and
6. Understand, respond to, and influence the larger political, social, socioeconomic, legal, and cultural context of the school/school system.

MCPS' PGS for administrators and supervisors better reflects the needs and expectations of school-based administrators rather than of central-office administrators because the standards were developed based on the desired skill sets of school-based administrators.

**A&S Professional Growth System Components.** The six components of the A&S PGS similarly reflect the goals and expectations of school-based leaders:

- **Professional development.** Opportunities for A&S staff to develop the six leadership standards and to develop their Professional Development Plan;
- **Mentoring (includes Consulting Principals and Consultants).** A collegial support system for new administrators, administrators new to MCPS, and administrators who seek mentoring during the Professional Development Plan process;
- **Recognition.** A process for identifying the performance and achievement of A&S staff;
- **Evaluation.** Based on the six leadership standards, a process with at least two formal evaluations by senior staff, information gathering, and data review with an A&S employee. If the standards are met, an employee continues in the professional development cycle. If concerns are identified, a consulting principal or central office consultant is assigned to an employee for support and an improvement plan is developed;
- **Marketing/enhance awareness (attracting).** A process to enhance staff awareness about the benefits and responsibilities of becoming an administrator or supervisor; and
- **Recruitment.** Active solicitation of individuals to apply for specific positions.

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<sup>2</sup> Interstate School Leaders Licensure Consortium; six standards originally developed in 1996 and revised in 2008 (see [http://www.ccsso.org/content/pdfs/elps\\_isllc2008.pdf](http://www.ccsso.org/content/pdfs/elps_isllc2008.pdf))

**Enhancing Diversity among Administrators.** MCPS' recruitment for A&S personnel has increasingly focused on expanding the diversity of the administrative workforce to reflect MCPS' Asian and Latino student body. Toward this end, Deputy Superintendent Frieda Lacey established a work group lead by consulting principal Jeff Martinez to focus on identifying potential Asian and Latino leaders among MCPS staff and encouraging them to prepare and apply for administrative positions. In May 2009, a career and networking event for Asian and Latino staff identified by their supervisors as potential leaders was attended by 180 participants.

**Increased Training for Central-Office Administrators.** MCPS is increasing the focus of its A&S retention efforts on the needs of non-school-based administrators. For example, the Office of Organizational Development:

- Has included strands within quarterly A&S meetings for central office administrators and has hosted brownbag sessions for non-school-based administrators on key MCPS initiatives;
- Has partnered with the MCPS/Union Leadership Development Advisory Committee to identify training opportunities for central office administrators;
- Encourages central office-based staff interested in administration to attend the Future Administrators Workshops;
- Is developing coursework for central office administrators on how to effectively observe and evaluate staff and developing training on how to lead and facilitate teams; and
- Is adding a mentoring component to the A&S PGS for central office supervisors.

## **Chapter VI: County Government Workforce Data and Information Systems**

Montgomery County Government collects and monitors data on a variety of workforce measures for all County departments. This chapter provides an overview of the available data as follows:

- **Part A, Workforce Data Management Systems**, summarizes the data management system used by the County Government's Office of Human Resources; and
- **Part B, Personnel Data**, summarizes the Executive Branch's workforce and retirement data.

### **A. Workforce Data Management Systems**

The Office of Human Resources (OHR) collects, monitors, and reports County Government workforce data. For this purpose, OHR uses multiple data management systems, six of which are described below. OHR also uses additional data management systems not discussed in this report. Some of the OHR data systems are connected to one another, while some operate independently. OHR hopes to integrate all data management systems into the new County Enterprise Resource Planning (ERP) system, which is discussed in this chapter. Currently, OHR information technology specialists administer these data management systems with support from the Department of Technology Services.

#### **1. Human Resources Management System (HRMS)**

Implemented in 1998, OHR uses the Human Resources Management System as a personnel database and payroll administration tool. The database maintains employee data on all encumbered positions in the County. It includes data on job classifications, union status, Equal Employment Opportunity Commission (EEO) status, and demographic data such as age, race, and gender. Besides tracking data for all County Government employees, the HRMS maintains data on County credit union employees and volunteer fire fighters. OHR's Classification and Compensation Team manages the HRMS and department staff can access the system to monitor changes to workforce composition.

**The Personnel Management Review.** County Government submits the Personnel Management Review (PMR) to the County Council as part of the annual budgeting process.<sup>1</sup> This report summarizes merit system employment data, turnover analysis, and wage and salary comparability. The data in the PMR includes:

- Overall workforce statistics including gender, age, race, length of service, EEO category, and union status;
- Salary distribution and wage comparison, including comparisons to local jurisdictions and the private sector; and
- Turnover analysis and trends.

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<sup>1</sup> OHR and the Department of Technology Services collaborate on the production of the PMR.

The PMR *does not* include:

- Employee retirement eligibility;
- Department-level staffing data; and
- Demographic or salary trend data.

**Exit Survey.** For several years, the Office of Human Resources has surveyed employees exiting the County workforce, and published an annual report that provides statistical analysis of separation data by reason, age, gender, ethnicity, years of service, EEO status, and department. The report also provides the results of an Exit Survey Questionnaire sent to all exiting employees. Questions on the survey include employment likes and dislikes, reasons for leaving, and suggestions for improvement. The survey results describe employees' satisfaction with benefits, working conditions, workforce development, compensation, and management.

## **2. Position Control**

The Position Control system tracks all positions in County Government – both vacant and encumbered. This system tracks data such as job classification and EEO status. The Position Control system is connected to the HRMS, which allows the transfer of certain data between systems. OHR's Classification and Compensation Team manages the Position Control System. Department staff can access this system to track position vacancies.

## **3. ePAF**

The ePAF Online System records employees' personnel and pay information. Through the system, OHR and department users can update employees' personnel actions, including initial appointments, transfers, promotions, leaves of absence, and terminations. The ePAF system is linked to HRMS and certain ePAF data are synchronized nightly with the Position Control system.

## **4. Human Resources Benefits (HRB)**

The Human Resources Benefits (HRB) system, implemented in 1998, is the County Government and other participating agencies' group insurance and pension administration system. The system maintains benefits, retirement, and demographic data on all active or retired employees eligible for group insurance. OHR uses the system to produce annually a Total Compensation Statement for every employee. This is also the system that OHR uses to generate retirement eligibility forecasts. The OHR Benefits Team manages the HRB.

In addition to data maintained in the HRB, an actuary completes an experience study every three or four years to estimate County Government retirements and approximate the future financial needs of the retirement system. OHR is planning another study for this year.

## **5. Human Capital Management (HCM)**

Human Capital Management (HCM) is a data warehouse that compiles HRMS and position control data and generates various workforce reports. The data are updated daily. HCM serves as the departments' primary source of personnel data for County departments. OHR's Classification and Compensation Team manages the HCM.

## **6. ePerform**

E-Perform is an online human resources application that allows supervisors and employees to create and maintain employee performance records for certain employee groups. The system is accessible to all County departments but managed by OHR's Classification and Compensation Team.

## **7. Enterprise Resource Planning (ERP)**

The ERP is a computer software system that will be used to manage and coordinate all the resources, information, and functions of County business processes, such as budgeting, finance, procurement, and human resources. The County is scheduled to launch the ERP system in January 2010. OHR staff report that they are working with ERP leadership to integrate many of OHR's current data management systems into the ERP, such as:

- Selection and Hiring;
- Transfer, Promotion, Separation;
- Training/Development;
- Performance Management;
- Classification;
- Compensation/Salary Equity; and
- Record Maintenance.

## **B. Personnel Data**

This section describes workforce, retirement, and turnover data for all groups of County Government Executive Branch employees, except appointed officials and department heads. As such, the employee data and trends count Executive Branch employees but not Legislative Branch or Judiciary employees. It also excludes County Government board, commission or committee members. For a full list of the departments that are included and excluded from this chapter, see the Appendix.

### **1. Workforce Data**

County Government Executive Branch employees provide public safety, transportation, human services, culture/recreation, and community development services. All County employees are members of one of the four employee groups listed in the table on the next page. In 2008, a majority (56.7%) of Executive Branch employees were members of the Municipal and County Government Employee Organization (MCGEO).

**Table 6-1: Description of Executive Branch Employee Groups**

Employee Group	Positions Represented	Percent of 2008 Workforce
Municipal and County Government Employee Organization (MCGEO)	Office, Professional, Technical (OPT): includes support personnel, paraprofessionals, and correction officers Service, Labor and Trade (SLT): includes Ride-on bus drivers, facilities, and maintenance workers	56.7%
Fraternal Order of Police (FOP – Police Bargaining Unit)	Police officers	12.7%
Montgomery County Career Firefighters Association, International Association of Firefighters (IAFF - Fire Bargaining Unit)	Firefighters and emergency medical personnel	12.7%
Non-Union	General salary schedule employees, Management Leadership Service (MLS), Question A employees, and public safety managers.	17.9%

Source: OHR Online Resource Library, accessed July 2009; and Workforce Data provided by OHR Staff July 2009

The remainder of this section describes current and trend data for the County Government workforce by size, ethnic diversity, and age.

#### **a. Workforce Size**

In 2008, the Executive Branch had 9,000 fulltime employees, an increase of 1,059 employees (13%) in five years. The table on the next page shows the number of employees by employee group and years of experience for 2004 through 2008. The data in Table 6-2 on the next page show that:

- MCGEO, which grew by 777 employees, experienced the greatest increases among all employee groups while the Fire Bargaining Unit (IAFF) had the greatest percent increase at 25%; and
- The cohort of employees with 6-10 years of experience had the greatest numerical increase (630) and percent growth (48%).



**Table 6-2: Number of Executive Branch Employees  
by Employee Group and Years of Experience, 2004-2008**

	2004	2005	2006	2007	2008	# Change	% Change
<b>Total</b>	<b>7,941</b>	<b>8,1129</b>	<b>8,383</b>	<b>8,802</b>	<b>9,000</b>	<b>1,059</b>	<b>13%</b>
<b>Employee Group</b>							
MC GEO	4,324	4,439	4,611	4,934	5,101	777	18%
Police Bargaining Unit (FOP)	1,030	1,053	1,087	1,126	1,141	111	11%
Fire Bargaining Unit (IAFF)	916	965	1,036	1,091	1,143	227	25%
Non-Union	1,671	1,672	1,649	1,651	1,615	-56	-3%
<b>Years of Experience</b>							
0 - 5 Years	2,984	3,010	3,073	3,285	3,358	374	13%
6 - 10 Years	1,308	1,321	1,493	1,774	1,938	630	48%
11 - 15 Years	1,198	1,161	986	1,004	1,035	-163	-14%
16 - 20 Years	1,191	1,343	1,454	1,307	1,212	21	2%
21 - 25 Years	567	524	596	650	714	147	26%
26 - 29 Years	396	448	447	418	374	-22	-6%
30+ Years	297	322	334	364	369	72	24%

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

Table 6-3 summarizes changes in the number of employees in the ten largest County Government departments (by workforce size) for the prior five years. The Department of Transportation had the greatest increase in the number of employees (245) and the Department of General Services had the greatest percent increase (39%). It is important to note both of these departments went through reorganizations during this time.

**Table 6-3: Number of Executive Branch Employees  
by Department for the Ten Largest Departments, 2004-2008<sup>2</sup>**

Department	2004	2005	2006	2007	2008	# Change	% Change
<b>Total</b>	<b>7,941</b>	<b>8,129</b>	<b>8,383</b>	<b>8,802</b>	<b>9,000</b>	<b>1,059</b>	<b>13%</b>
Police	1,661	1,701	1,727	1,810	1,789	128	8%
Health and Human Services	1,529	1,537	1,573	1,612	1,598	69	5%
Transportation	1,058	1,058	1,067	1,125	1,303	245	23%
Fire and Rescue Services	1,060	1,110	1,187	1,245	1,289	229	22%
Correction and Rehabilitation	511	518	536	554	549	38	7%
Libraries	375	384	384	438	425	50	13%
General Services	317	349	375	410	441	124	39%
Liquor Control	283	290	295	309	307	24	8%
Permitting Services	190	190	195	197	197	7	4%
Technology Services	139	146	150	153	149	10	7%
All Others	818	846	894	949	953	135	17%

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

## b. Workforce Diversity

Table 6-4 on the next page summarizes changes in the Executive Branch workforce between 2004 and 2009 by gender, race, and ethnicity. The data show that:

- The number of male employees has increased at double the rate of female employees, over the past five years, 17% and 8% respectively; and
- The percent of African American, Asian, and Hispanic employees grew by more than 20% between 2004 and 2008.

<sup>2</sup> In July 2008, the Department of Public Works and Transportation (DPWT) was reorganized. Two new departments, the Department of Transportation and the Department of General Services, were created. In addition, DPWT's Division of Solid Waste Services moved to the Department of Environmental Protection. The data for this study allocates numbers of DPWT employees according to the departments where they are currently employed. As such, the data reflects the organizational structure that is currently in effect.

**Table 6-4: Number of Executive Branch Employees  
by Gender, Race, and Ethnicity, 2004-2008**

	2004	2005	2006	2007	2008	# Change	% Change
<b>Total</b>	<b>7,941</b>	<b>8,129</b>	<b>8,383</b>	<b>8,802</b>	<b>9,000</b>	<b>1,059</b>	<b>13%</b>
<b>Gender</b>							
Female	3,512	3,572	3,666	3,838	3,809	297	8%
Male	4,429	4,557	4,717	4,964	5,191	762	17%
<b>Race/Ethnicity</b>							
White	4,768	4,817	4,879	5,031	5,035	267	6%
African American	2,027	2,101	2,215	2,353	2,463	436	22%
Hispanic	535	574	623	684	720	185	35%
Asian	443	459	483	531	534	91	21%
Unreported	110	122	128	146	190	80	73%
Native American	58	56	55	57	58	0	0%

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

Table 6-5 compares the demographics of the County's population to the demographics of the County Government's workforce. A comparison of the 2007 County workforce data to the 2007 American Community Survey demographic data<sup>3</sup> shows that:

- b. The percent of white County Government employees is similar to the percent of white County residents (57% vs. 60%);
- c. The percent of African American County Government employees is higher than the percent of African American County residents (27% vs. 16%); and
- d. The percent of both Asian and Hispanic County Government employees is smaller than the percent of Asian and Hispanic County residents (14% vs. 27%).

**Table 6-5: Comparison of County Government Employee Demographics  
to County Resident Demographics, 2007**

<b>Race/Ethnicity</b>	<b>% of County Government Employees</b>	<b>% of County Population</b>
White	57%	60%
African American	27%	16%
Hispanic	8%	14%
Asian	6%	13%

Source: 2007 American Community Survey; Source: Workforce Data Provided by OHR Staff as of September 10, 2009

<sup>3</sup> The United States Census Bureau publishes the American Community Survey.

**c. Aging of the Workforce**

The rate of aging in the workforce is critical to appropriate workforce and succession planning. The table below summarizes changes in the Executive Branch workforce by age group between 2004 and 2008. The data show that:

- Employees age 50-59 had the largest numerical increase (+437);
- Employees age 60 and over had the largest percentage increase (+56%); and
- Employees between the ages of 40 and 49 had the smallest decline in number (-80) and percent (-3%).

**Table 6-6: Number of Executive Branch Employees by Age, 2004-2008**

Age	2004	2005	2006	2007	2008	# Change	% Change
<b>Total</b>	<b>7,941</b>	<b>8,129</b>	<b>8,383</b>	<b>8,802</b>	<b>9,000</b>	<b>1,059</b>	<b>13%</b>
Age 29 and under	789	824	885	999	980	191	24%
Age 30 - 39	1,942	1,939	1,960	2,003	2,024	82	4%
Age 40 - 49	2,624	2,614	2,650	2,704	2,704	80	3%
Age 50 - 59	2,106	2,209	2,294	2,408	2,543	437	21%
Age 60 and above	480	543	594	688	749	269	56%

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

The following table shows changes in the age distribution of the Executive Branch workforce over the past five years. The data show that the two oldest groups, i.e., employees age 50-59 and employees age 60 and over, both increased in percent of the workforce. At the same time, employees in the age 30-39 and age 40-49 groups had decreases of 2 and 3 percentage points respectively.

**Table 6-7: Distribution of Executive Branch Workforce by Age, 2004-2009**

Age Category	2004	2005	2006	2007	2008	Change
Age 29 and under	10%	10%	11%	11%	11%	-3%
Age 30 - 39	24%	24%	23%	23%	22%	-2%
Age 40 - 49	33%	32%	32%	31%	30%	-3%
Age 50 - 59	27%	27%	27%	27%	28%	2%
Age 60 and above	6%	7%	7%	8%	8%	2%

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

**Executive Branch Leadership Demographic Profile.** The remainder of this section specifically presents demographic data for employees who make up the Executive Branch leadership. To identify Executive Branch leadership employees, OLO used the three employee groups listed below, as recommended by the Office of Human Resources. The groups are:

- Executive Branch employees in the Management Leadership Service (MLS);
- Question A employees, and
- Uniformed public safety managers in the following Executive Branch's departments: Police, Fire and Rescue Services, and Correction and Rehabilitation.

The definition of the Executive Branch leadership cohort used for this study excludes appointed directors of Executive Branch departments.

The table below shows the number of Executive Branch leadership employees (i.e. managers) by employee category and years of experience. The leadership cohort grew by 17 employees (4%) over the past three years. In 2008, there were 19 more MLS and Question A employees, one more fire services employee, and three fewer police employees.

**Table 6-8: Number of Executive Branch Leadership Employees by Group and Years of Experience, 2006-2008**

	2006	2007	2008	# Change	% Change
<b>Total</b>	<b>481</b>	<b>486</b>	<b>498</b>	<b>17</b>	<b>4%</b>
<b>Management Group</b>					
MLS and Question A	357	363	376	19	5%
Police Managers	55	54	52	-3	-5%
Fire Managers	43	43	44	1	2%
Correction Managers	26	26	26	0	0%
<b>Years of Experience</b>					
0 - 5 Years	79	86	88	9	11%
6 - 10 Years	52	59	66	14	27%
11 - 15 Years	26	30	40	14	54%
16 - 20 Years	125	111	104	-21	-17%
21 - 25 Years	85	86	92	7	8%
26 - 29 Years	64	57	49	-15	-23%
30 + Years	50	57	59	9	18%

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

The next table summarizes gender, race, and ethnicity, and age demographics of the Executive Branch leadership cohort. The data show that between 2006 and 2008:

- The percentage of male managers increased more than that of female managers (5% compared to 1%);
- The number of Native American, White, and Hispanic managers did not increase, while the number of Asian managers increased by seven (33%);
- Managers age 60 and above increased the most in both number (26) and percent (51%) of all age cohorts; and
- Managers ages 40-49 had the greatest decreases in both number (-28) and percent (-16%).

**Table 6-9: Number of Executive Branch Leadership Employees by Gender, Race, Ethnicity, and Age, 2006-2008**

	2006	2007	2008	# Change	% Change
<b>Total</b>	<b>481</b>	<b>486</b>	<b>498</b>	<b>17</b>	<b>4%</b>
<b>Gender</b>					
Female	188	192	190	2	1%
Male	293	294	308	15	5%
<b>Race/Ethnicity</b>					
White	352	354	353	1	0%
African American	88	87	93	5	6%
Asian	21	25	28	7	33%
Hispanic	13	13	13	0	0%
Unreported	4	5	8	4	100%
Native American	3	2	3	0	0%
<b>Age</b>					
Age 29 and under	0	1	2	2	NA
Age 30 - 39	30	30	26	-4	-13%
Age 40 - 49	175	161	147	-28	-16%
Age 50 - 59	225	233	246	21	9%
Age 60 and above	51	61	77	26	51%

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

The table below shows how the number of managers changed between 2006 and 2008 in the ten departments with the most managers. (As noted, public safety leadership cohorts have both civilian and uniformed managers.) The data show the Department of Finance had the greatest percent increase in managers (35%), followed by Montgomery County Public Libraries (8%). The Department of Technology Services had a 13% decrease among its management ranks.

**Table 6-10: Executive Branch Leadership Employees by Department, 2006-2008<sup>4</sup>**

Department	2006	2007	2008	# Change	% Change
<b>Total</b>	<b>481</b>	<b>486</b>	<b>498</b>	<b>17</b>	<b>4%</b>
Finance	17	20	23	6	35%
Libraries	25	22	27	2	8%
Health and Human Services	74	78	77	3	4%
Other	108	105	113	5	5%
Fire and Rescue Services*	52	54	54	2	4%
Correction and Rehabilitation*	42	43	43	1	2%
Permitting Services	18	17	18	0	0%
Police*	66	66	65	-1	-2%
Technology Services	23	22	20	-3	-13%
Transportation	56	59	39	-17	-30%
General Services	0	0	19	19	NA

\* Public safety leadership cohorts include both civilian (e.g. MLS) and uniformed managers.

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

## 2. Retirement Data

The County Government does not publish employee retirement data. For this report, the Office of Human Resources provided retirement and retirement eligibility data for Executive Branch employees. This subsection describes retirement trends based on these data. The County Government could use these data to develop workforce and succession management plans.

### a. Retirement Eligibility

OHR maintains databases on retirement eligibility for all employees. County Government employees have different retirement eligibility requirements based on age, years of service, position, date of hire and union status. For example, many civilian employees can retire at age 55 with 30 years of service or at age 60 with five years of service. For more details, see <http://www.montgomerycountymd.gov/content/ohr/ResourceLibrary>.

<sup>4</sup> In July 2008, the Department of Public Works and Transportation (DPWT) was reorganized. Two new departments were created - Transportation and General Services – and DPWT's Division of Solid Waste Services moved to the Department of Environmental Protection. The data for this study reflects this current organization structure. As such, data for former DPWT employees reflects the organizational structure that is currently in effect.

**County Government.** The following two tables summarize yearly changes in retirement eligibility for the Executive Branch workforce by employee group. Table 6-11 (below) shows changes from 2009 to 2013; Table 6-12 (on the next page) displays changes from 2013 and 2018. The data show higher rates of retirement eligibility among public safety managers compared to the overall workforce. Specifically,

- Today, 8% of the current Executive Branch workforce is eligible to retire, including 51% of public safety managers;
- Five years from now, 20% of the current overall workforce will be eligible to retire; including 72% of public safety managers; and
- Ten years from now, 37% of the current workforce will be eligible to retire, including 83% of public safety managers.

**Table 6-11: Retirement Eligibility of Executive Branch Workforce by Employee Group (Number and Percent), 2009-2013**

	Eligible to Retire 2009	Annual Increase in Eligibility				Eligible to Retire 2009-2013
		2010	2011	2012	2013	
<b>Total</b>	<b>736</b>	<b>265</b>	<b>232</b>	<b>289</b>	<b>276</b>	<b>1,798</b>
	<b>8%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>20%</b>
<b>Unrepresented Employee Groups</b>						
General Salary Schedule	70	38	52	60	55	275
	6%	3%	5%	5%	5%	25%
MLS and Question A	33	20	16	21	20	110
	9%	5%	4%	6%	5%	29%
Public Safety Management	62	5	4	9	8	88
	51%	4%	3%	7%	7%	72%
<b>Represented Employee Groups</b>						
MCGEO*	202	146	131	126	131	736
	4%	3%	3%	3%	3%	15%
Police Bargaining Unit	94	20	17	34	23	188
	8%	2%	1%	3%	2%	16%
Fire Bargaining Unit	272	35	10	33	34	384
	24%	3%	1%	3%	3%	34%
Correction Officers	3	1	2	6	5	17
	1%	0%	1%	2%	2%	6%

\*Excludes Corrections Officers

Source: Workforce Data Provided by OHR Staff as of September 10, 2009



**Table 6-12: Retirement Eligibility of Executive Branch Workforce by Employee Group (Number and Percent), 2013-2018**

	Eligible to Retire 2009-2013	Annual Increase in Eligibility					Eligible to Retire 2009-2018
		2014	2015	2016	2017	2018	
<b>Total</b>	<b>1,798</b>	<b>286</b>	<b>274</b>	<b>274</b>	<b>305</b>	<b>405</b>	<b>3342</b>
	<b>20%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>5%</b>	<b>37%</b>
<b>Unrepresented Employee Groups</b>							
General Salary Schedule	275	51	48	42	50	48	514
	25%	5%	4%	4%	4%	4%	46%
MLS and Question A	110	19	22	18	19	17	205
	29%	5%	6%	5%	5%	5%	55%
Public Safety Management	88	5	2	3	1	2	101
	72%	4%	2%	2%	1%	2%	83%
<b>Represented Employee Groups</b>							
MCGEO*	736	147	153	175	167	169	1547
	15%	3%	3%	4%	3%	4%	32%
Police Bargaining Unit	188	26	24	21	26	80	365
	16%	2%	2%	2%	2%	7%	32%
Fire Bargaining Unit	384	29	12	2	30	74	531
	34%	3%	1%	0%	3%	6%	46%
Correction Officers	17	9	13	13	12	15	79
	6%	3%	4%	4%	4%	5%	27%

\*Excludes Corrections Officers

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

**Executive Branch Leadership Cohort.** Tables 6-13 and 6-14 on the following page summarize retirement eligibility data for the Executive Branch leadership cohort over the next ten years. The leadership cohort includes civilian MLS and Question A employees and management ranks in Police, Fire and Corrections. The retirement eligibility data for the leadership cohort as a whole mask higher rates of retirement eligibility among Police and Fire management. Specifically:

- About 19% of the entire leadership cohort is currently eligible to retire;
- Five years from now, 40% of the current leadership will be eligible to retire, and ten years from now, 61% will be eligible to retire.
- Currently, 40% of police management and 86% of fire management are eligible to retire. Five years from now, 77% of current police management and 91% of current fire management will be eligible to retire. Ten years from now, 88% of the current police leadership will be eligible to retire while the percent of current fire services leadership eligible to retire will remain at 91%.

**Table 6-13: Retirement Eligibility of Executive Branch Leadership by Employee Group (Number and Percent), 2009-2013**

	Eligible to Retire 2009	Annual Increase in Eligibility				Eligible to Retire 2009-2013
		2010	2011	2012	2013	
<b>Total</b>	<b>95</b>	<b>25</b>	<b>20</b>	<b>30</b>	<b>28</b>	<b>198</b>
	<b>19%</b>	<b>5%</b>	<b>4%</b>	<b>6%</b>	<b>6%</b>	<b>40%</b>
MLS and Question A	33	20	16	21	20	110
	9%	5%	4%	6%	5%	29%
Police Managers	21	4	3	7	5	40
	40%	8%	6%	13%	10%	77%
Fire Managers	38	0	0	1	1	40
	86%	0%	0%	2%	2%	91%
Correction Managers	3	1	1	1	2	8
	12%	4%	4%	4%	8%	31%

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

**Table 6-14: Retirement Eligibility of Executive Branch Leadership by Employee Group (Number and Percent), 2009-2018**

	Eligible to Retire 2009-2013	Annual Increase in Eligibility					Eligible to Retire 2009-2018
		2014	2015	2016	2017	2018	
<b>Total</b>	<b>198</b>	<b>24</b>	<b>24</b>	<b>21</b>	<b>20</b>	<b>19</b>	<b>306</b>
	<b>40%</b>	<b>5%</b>	<b>5%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>61%</b>
MLS and Question A	110	19	22	18	19	17	205
	29%	5%	6%	5%	5%	5%	55%
Police Managers	40	3	0	0	1	2	46
	77%	6%	0%	0%	2%	4%	88%
Fire Managers	40	0	0	0	0	0	40
	91%	0%	0%	0%	0%	0%	91%
Correction Managers	8	2	2	3	0	0	15
	31%	8%	8%	12%	0%	0%	58%

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

Table 6-15 on the next page summarizes retirement eligibility data for Executive Branch leadership employees eligible to retire five and ten years from now by department. The data for departments with 10 or more employees eligible to retire are displayed separately; and the data for departments with fewer than 10 eligible employees are reported in “all other departments.” The data for public safety departments (i.e., Police, Fire, and Corrections) combines uniform and civilian leadership employees. As the data show, 80-89% of current managers in Police and Fire will become eligible to retire in the next ten years compared to 53% in Corrections; and 59% of current managers in Transportation and 56% of managers within the library system will be eligible to retire by 2018.

**Table 6-15: Retirement Eligibility of Executive Branch Leadership by Department, (Number and Percent), 2009-2018**

	2008 Managers	Eligible to Retire 2009-2013		Eligible to Retire 2009-2018	
		Number	Percent	Number	Percent
<b>Total</b>	<b>498</b>	<b>198</b>	<b>40%</b>	<b>306</b>	<b>61%</b>
Fire and Rescue Services*	54	42	78%	48	89%
Police*	65	44	68%	52	80%
Transportation	39	12	31%	23	59%
All Other Departments	193	55	28%	108	56%
Public Libraries	27	11	41%	15	56%
Correction and Rehabilitation*	43	15	35%	23	53%
Health and Human Services	77	19	25%	37	48%

\* Includes civilian and uniformed managers

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

## b. Retirement Trends

The table below shows actual retirements for the Executive Branch workforce between 2004 and 2009. Overall, 1,165 employees retired in the past six years, averaging 194 retirements annually. Retirements peaked at 268 in 2008, which may have been influenced by the retirement incentive program offered that year.

**Table 6-16: Number of Retirements in Executive Branch Workforce, 2004-2009**

	2004	2005	2006	2007	2008	2009	Total
<b>Total</b>	<b>196</b>	<b>178</b>	<b>204</b>	<b>202</b>	<b>268</b>	<b>117</b>	<b>1,165</b>
<b>Unrepresented Employee Groups</b>							
General Salary Schedule	34	34	44	40	61	16	229
MLS and Question A	4	4	3	3	2	0	16
Police Managers	12	16	23	19	18	5	93
Fire Managers	1	0	1	2	3	2	9
Correction Managers	2	0	1	1	0	3	7
<b>Represented Employee Groups</b>							
MCGEO*	95	82	94	90	143	64	568
Police Bargaining Unit	18	24	20	22	18	11	113
Fire Bargaining Unit	27	16	18	22	20	15	118
Correction Officers	3	2	0	3	3	1	12

\*Excludes Corrections Officers

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

Table 6-17 describes five years of retirement rates in the Executive Branch among employee groups. The retirement rate reflects the rate of retirement among employees who are eligible to retire. The data show that:

- The rate of retirement among eligible employees declined from 43% in 2004 to 28% in 2008.
- Annual retirements rates among members of the police and fire services bargaining units of 50-87% are often twice as high as rates for MCGEO members at 23-39%.
- Police and fire management generally retire at rates comparable to members of the police and fire Bargaining Units (67-100% compared to 50-87%); and, civilian MLS and Question A managers retire at rates comparable to members of MCGEO (20-41% compared to 23-39%).

**Table 6-17: Rate of Retirement among Eligible Executive Branch Personnel by Employee Group, 2004-2008**

	2004	2005	2006	2007	2008
<b>Total</b>	43%	35%	33%	27%	28%
<b>Unrepresented Employee Groups</b>					
General Salary Schedule	30%	25%	25%	21%	25%
MLS and Question A	40%	41%	40%	28%	20%
Police Managers	80%	80%	75%	75%	67%
Fire Managers	100%	NA	100%	67%	75%
Correction Managers	50%	0%	20%	17%	0%
<b>Represented Employee Groups</b>					
MCGEO*	39%	31%	29%	23%	27%
Police Bargaining Unit	82%	80%	74%	63%	50%
Fire Bargaining Unit	87%	80%	75%	76%	67%
Corrections Officers	60%	40%	0%	50%	43%

\*Excludes Corrections Officers

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

Table 6-18 on the next page describes the average retirement age for County Government employees for the past five years. Note that there are different eligibility requirements for different groups of employees. For example, the minimum retirement age for career public safety employees is lower than non-public safety employees and civilian public safety employees. The data show that, since 2004, the average retirement age:

- Increased by two years, from 55 to 57, for the workforce as a whole;
- Increased for all employee groups, except the MCGEO-OPT members where it declined from 59 to 58; and
- Increased sharply for both correction managers, from 49 to 58, and for correction officers, from 52 to 62.

**Table 6-18: Average Age of Retirement by Employee Group, 2004-2009**

	2004	2005	2006	2007	2008	2009	# Change	% Change
<b>Total</b>	<b>55</b>	<b>55</b>	<b>56</b>	<b>56</b>	<b>58</b>	<b>57</b>	<b>2</b>	<b>3.6%</b>
<b>Unrepresented Employee Groups</b>								
General Salary Schedule	57	57	57	60	59	58	1	1.8%
MLS and Question A	58	58	59	57	59	60	2	3.4%
Police Managers	49	49	49	46	50	--	1	2.0%
Fire Managers	50	--	46	52	52	53	3	6.0%
Correction Managers	49	--	45	46		58	9	18.4%
<b>Represented Employee Groups</b>								
MC GEO – SLT	57	57	58	57	60	59	2	3.5%
MC GEO – OPT*	59	59	58	60	60	58	-1	-1.7%
Police Bargaining Unit	47	47	48	45	45	49	2	4.3%
Fire Bargaining Unit	49	45	48	49	50	53	4	8.2%
Correction Officers	52	37	--	41	52	62	10	19.2%

\*Excludes Corrections Officers

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

### 3. Turnover Data

Replacing employees who leave an organization is often critical to achieving an organization's mission. In addition to retirements, there are many voluntary and involuntary reasons that Montgomery County employees may be separated from employment, e.g., personal or medical reasons. OHR's Exit Survey collects data on the reason employees leave County Government employment.

Table 6-19 on the next page summarizes turnover for the entire Executive Branch workforce between 2005 and 2008.<sup>5</sup> An analysis of the data shows that between 2005 and 2008:

- Separations totaled 2,149 or an average of 537 a year;
- Voluntary separations (i.e. retirements and other voluntary reasons) accounted for 87% of all separations; and
- Retirements accounted for 40% of separations.

Table 6-19 also demonstrates that retirements increased by 93% from 170 to 328 from 2007 to 2008. This significant spike in retirements may have resulted in part from the County Government's retirement incentive program in FY08.

<sup>5</sup> For more detailed information on types of separations included in each separation category, please see Appendix B.

**Table 6-19: County Government Separations by Reason, 2005-2008**

	2005	2006	2007	2008	Total
<b>Total</b>	<b>445</b>	<b>514</b>	<b>504</b>	<b>686</b>	<b>2,149</b>
<b>Retirements*</b>					
Normal Retirement	105	126	112	224	567
Early Retirement	33	35	38	61	167
Other Retirement	24	43	20	43	130
<b>Subtotal</b>	<b>162</b>	<b>204</b>	<b>170</b>	<b>328</b>	<b>864</b>
<b>Other Voluntary Reasons</b>					
Personal Reasons	155	169	164	182	670
Relocation	19	26	26	30	101
Voluntary, not specified	51	64	76	57	248
<b>Subtotal</b>	<b>225</b>	<b>259</b>	<b>266</b>	<b>269</b>	<b>1,019</b>
<b>Involuntary and Other Reasons</b>					
Involuntary	48	42	58	72	220
Other	10	9	10	17	46
<b>Subtotal</b>	<b>58</b>	<b>51</b>	<b>68</b>	<b>89</b>	<b>266</b>

\*Retirement data in Table 6-19 is based on the fiscal year, while retirement data provided by OHR in Table 6-16 is based on calendar year.

Source: Office of Human Resources Exit Surveys 2005-2008

**Separations by Department.** The 2007 and 2008 OHR Exit Surveys provide separation data by department. Table 6-20 shows the five County departments with the most separations in 2007 and 2008. The Department of Health and Human Services and the Department of Public Works and Transportation each accounted for 21-22% of all separations for both years; in 2007, each department represented 19% of the Executive Branch workforce.

**Table 6-20: Number of Separations for County Government Departments with the Highest Number of Separations by Reason, 2007 and 2008**

	2007			2008		
	Retired	Other	Total	Retired	Other	Total
<b>Total</b>	<b>170</b>	<b>334</b>	<b>504</b>	<b>328</b>	<b>358</b>	<b>686</b>
Health and Human Services	44	69	113	72	74	146
Public Works and Transportation*	32	74	106	65	77	142
Police	24	38	62	47	56	103
Fire and Rescue Services	11	23	34	30	20	50
Public Libraries	10	0	10	37	11	48
All Other Departments	49	130	179	77	120	197

\*Because the reorganization of DPWT occurred July 2008, separation data is available by department prior to the reorganization

Source: Office of Human Resources Exit Surveys 2005-2008

**Separations by Length of Service.** The OHR Exit Survey also tracks separations by length of service. Table 6-21 below describes this data from 2005 to 2008. Across the four-year period, the data show that a about half of all separations occur within an employee's first five years of service, ranging from 52% of all separations in 2005 and 2007 to 43% in 2008.

**Table 6-21: Percent of County Government Separations by Lengths of Service, 2005-2008**

Separations by Length of Service	2005	2006	2007	2008
Less than 1 Year	17%	24%	23%	21%
1 to 5 Years	35%	28%	29%	22%
6 to 10 Years	8%	8%	12%	8%
11 to 15 Years	7%	5%	7%	5%
16 to 20 Years	8%	11%	9%	11%
21 to 25 Years	5%	7%	5%	10%
26 to 30 Years	9%	9%	7%	8%
31+ Years	10%	8%	8%	2%

Source: Office of Human Resources Exit Surveys 2005-2008

## **Chapter VII: A Review of the Executive Branch's Succession Management Strategies**

As described in Chapter III, succession management refers to a continuum of approaches that organizations can use to align program priorities with staffing resources. Succession management consists of workforce planning, succession planning and leadership development, knowledge management, and recruitment and retention practices.

In Montgomery County Government (MCG), the Chief Administrative Office (CAO), the Office of Human Resources (OHR) and Executive Branch departments share responsibility for the design, implementation and oversight of succession management programs and practices within the Executive Branch. This chapter describes these efforts and is organized as follows:

- **Part A, Framework for Strategic Planning in the Executive Branch**, describes the Executive Branch's current strategic planning framework;
- **Part B, Workforce and Succession Planning**, describes the Executive Branch's approach to supporting workforce and succession planning;
- **Part C, Leadership Development Practices**, describes Executive Branch programs to train managers, develop leadership pipelines, and provide employee promotional opportunities;
- **Part D, Knowledge Management Practices**, provides examples of Executive Branch knowledge management practices; and
- **Part E, Recruitment and Retention Practices**, addresses recruitment and retention practices that address workforce turnover issues.

### **A. Framework for Strategic Planning in the Executive Branch**

Strategic planning in the Executive Branch occurs in an organization with 27 separate units that delivers over 60 different services. The largest departments are Police, Health and Human Services, Transportation, and Fire and Rescue Services; the smallest are the Office of Intergovernmental Relations, Emergency Management Homeland Security, the Commission for Women, and the Regional Service Centers.

Historically, the County Executive's approach to strategic planning has been informal and decentralized. Except for a few legally-required plans, most directors were encouraged to "think strategically and plan for the long term" but also "given broad latitude" over their operations, as explained in the following 2004 statement:

The County Executive encourages department directors and their staffs to think strategically and plan for the long term needs of Montgomery County and its residents. Department directors are given broad latitude in operating their departments. Some long range planning documents are legally required and departments update these on a regular schedule. Other departments have identified the need to create strategic or long range plans for their departments as a whole or for specific service areas. It is each department director's responsibility to develop the long range plans he or she feels are appropriate.<sup>1</sup>

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<sup>1</sup> *OLO Report 2004-2, An Inventory and Analysis of Montgomery County Government's Strategic and Long Range Facility Plans*, January 13, 2004, p. 12



Over 60 strategic plans exist within County Government. While most plans examine a specific service, such as transit or water quality, only a few plans for some large departments (e.g., Police and Fire) address future departmental operations and staffing requirements.<sup>2</sup>

A global strategic plan for the Executive Branch does not exist; however, the current administration has instituted a more systematic approach to strategic planning. According to the current CAO, the Leggett administration's strategic planning approach consists of a mission statement, eight key results areas and a companion set of strategic policy recommendations, the CountyStat program, and performance plans and measures for each department. These new elements, with the strategic plans developed previously, make up the Executive Branch's current strategic planning framework.

**Strategic Planning in the Office of the County Executive.** With the help of his election transition team, County Executive Leggett identified key priority policy objectives and implemented a Results-based Accountability System.<sup>4</sup> This system connects County priorities to a system of overarching quality-of-life indicators, departmental performance measures, and individual program measures. It has four components.

1. **Montgomery County Results (Priority Objectives).** Developed in collaboration with residents, these are eight quality-of-life result areas that drive County government activities and align with the County mission statement:
  - A Responsive and Accountable County Government
  - Affordable Housing in an Inclusive Community
  - An Effective and Efficient Transportation Network
  - Children Prepared to Live and Learn
  - Healthy and Sustainable Communities
  - Safe Streets and Secure Neighborhoods
  - A Strong and Vibrant Economy
  - Vital Living for All of Our Residents
2. **Indicators.** The County has identified a set of indicators that represent a barometer for County performance, gauge the effectiveness of County strategies, and reflect the quality of life for residents. In addition, the indicators allow for comparisons over time and with other jurisdictions.
3. **Headline Performance Measures.** These are outcome-based performance measures that monitor results achieved by County departments in each of their respective result/priority objective areas.
4. **Performance Sub-measures.** These are measures that link budget items to departmental performance measures and monitor results achieved at a programmatic level.

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<sup>2</sup> Appendix E includes an inventory of department strategic plans by service area as of January 2004, and an update as of February 2006.

<sup>4</sup> Montgomery County's Results-based Accountability System can be found at the following website:  
<http://www.montgomerycountymd.gov/statmpl.asp?url=/content/exec/stat/stat2008.asp>

**CountyStat.**<sup>5</sup> In January 2008, the Executive established the CountyStat Program, which analyzes data focused on day-to-day management, reviews long term policies to improve efficiency and responsiveness, and manages departmental performance plans. CountyStat is a key component of the County's new results-based accountability. The program aims to assist departments in making data-driven policy and management decisions. Specifically, CountyStat:

- Provides training and analytic tools to help departments better monitor their operational procedures and practices;
- Monitors program performance related to County policies; and
- Works to improve the uniformity of data collection and increase interdepartmental program analysis.

The implementation of CountyStat has focused on several key themes:

- **Capacity Building:** CountyStat works with departments to increase their internal capacity to continually monitor and assess operational performance, in order to construct more self-sufficient and outcome-focused departments.
- **Policy Translation:** CountyStat assists policymakers by ensuring that their message is accurately interpreted and set into action by departments. Through ongoing facilitation and rigorous follow-up, CountyStat provides a forum for the continual monitoring of performance as it relates to County policies.
- **Data Analytics and Integration:** CountyStat identifies opportunities for incorporating departmental performance data in the analysis of key operational issues by working closely with departments to build their data analytics and integration abilities.
- **Internal Consulting:** CountyStat provides an array of facilitation and analytic support services which allow the County government to make informed decisions based on rigorous analysis.

In order to evaluate the outcomes, CountyStat meetings are held on a regular basis to review and examine the County departments' various issues. These meetings provide a systematic method for discussing activities and challenges that affect the efficiency and responsiveness of government. During these meetings, County officials use real-time data to analyze past, present, and future performance strategies that enforce a culture of "results-based accountability." All CountyStat data and information is available on the County website.

## **B. Workforce and Succession Planning**

Staff in the Office of the County Executive, in the Office of Human Resources, and in Executive Branch departments share workforce and succession planning responsibilities. In particular, the CAO's staff oversees certain workforce issues that span multiple departments, the Office of Human Resources undertakes a variety of workforce assessments and surveys, and department heads oversee department-level planning. These activities are described below.

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<sup>5</sup> For further detail on CountyStat, please visit its website: <http://www.montgomerycountymd.gov/countystat>.

## **1. Office of the County Executive**

The CAO assesses and monitors progress on workforce issues that span multiple departments through periodic studies, and regular reviews of each department's performance plan. Some examples of recent County Executive and Chief Administrative reviews include the following:

- Yearly one-on-one performance review meetings with each department head to discuss past performance and future performance goals and targets, including:
  - An overview of strategies, results, and opportunities on department headline measures;
  - Strategies to implement the County vision of a “Responsive and Sustainable Leadership” in the department;
  - Progress in workforce diversity, the Minority, Female and Disabled-Owned Business Program, and collaboration with other departments.
- Routine review of departments' progress on workforce issues and other performance target related measures, such as diversity in the Management Leadership Service or among public safety managers.
- A review of the Office of Human Resources headline performance measures, with a focus on the department's ability to meet the projected needs of the County workforce;
- Other CountyStat meetings on topics related to workforce planning such as:
  - A quarterly review of overtime with the expectation that preventing excessive overtime use may reduce sick leave, lower turnover rates, and allow the County to realign resources; and
  - A review of County fleet maintenance preventive practices that included a staffing analysis.<sup>6</sup>

Currently, directors manage succession issues as part of their departmental responsibilities. According to the CAO, directors routinely track where their key positions are and when people will be leaving as part of managing their day-to-day operations. The CAO expects department heads to take a three-pronged approach to succession planning as part of their departmental responsibilities that consists of:

- Preparing and developing current employees to eventually fill senior positions;
- Taking action to address anticipated staff shortages that can be identified from analyses of turnover data and separation trends; and
- Responding quickly to unexpected staff shortages.

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<sup>6</sup> See the CountyStat website, <http://www.montgomerycountymd.gov/countystat>, for presentations of these issues.

Additionally, during the budget preparation process, the CAO tasks each director to identify vacant positions and recommend whether a position will be filled, based on factors such as workload demand or alternative methods of service delivery. Each department factors knowledge of pending retirements or separations into its budget recommendations to the County Executive.

As part of his preliminary and final budget reviews, the Executive assesses each department's vacancies and discusses its short and long-term strategies. The Executive's final budget recommendations reflect decisions about existing and projected vacancies coupled with other factors (e.g. spending limits, departmental and Executive priorities, legal mandates, and collective bargaining agreements).

The CAO states that a written succession plan for the entire Executive Branch does not exist and would not make sense since the diversity of departmental missions creates equally diverse workforce requirements. Alternatively, managing succession at the departmental level takes advantage of a director's familiarity with his or her operations and staff.

## **2. Office of Human Resources**

The Office of Human Resources' (OHR) approach to strategic workforce planning consists of:

- Preparing a report about retirements and separations, based on exit survey data that is compiled annually,
- Conducting countywide workforce assessments, retirement eligibility forecasts, or needs analysis surveys periodically;
- Preparing the Personnel Management Review, a report that provides a merit system profile, a turnover analysis, and a wage and salary comparability analysis, for Executive and Council review during the annual budget process; and
- Helping departments, on request, undertake strategic staffing analyses.

This section describes the first two OHR approaches to workforce planning (i.e. the Exit Survey and a workforce assessment compiled by AARP) listed above. This section also summarizes the retirement eligibility analysis conducted by OHR to inform the Executive's FY09 and FY10 Recommended Budgets and the design of the Manager Development Program discussed in the next section (see page 76).

**Annual Report of Exit Survey Data.** Surveys of employees leaving their jobs can provide valuable data and insights about employee perceptions. OHR has a longstanding practice of administering an exit survey and publishing an annual Exit Survey Report that analyzes trends and patterns from these data. OHR uses these surveys to monitor the demographic characteristics and perceptions of employees who are leaving the County, and to identify sources of dissatisfaction. The OHR Director receives the report and shares the results with the CAO, department heads, and OHR departmental liaisons.

Table 7-1 below summarizes separations by department, distinguishing between retirements and other separations. Keeping in mind the spike in 2008 retirements, the data show:

- Retirements and other separations were roughly equivalent in DHHS and Liquor Control;
- Separations outnumbered retirements in DPWT, Police and Corrections; and
- Retirements outnumbered other separations in MCFRS and Libraries.

**Table 7-1: Summary of Departmental Separation Data, 2008**

Department	# of Dept. Retirements	# of Other Employees Exiting	Total Department Separations	Retirements as % of Total Separations	Dept. Seps. as % of MCG Separations
Health and Human Services	72	74	146	49%	21.3%
Public Works and Transportation	65	77	142	46%	20.7%
Police	47	56	103	46%	15%
Fire and Rescue Services	30	20	50	60%	7.3%
Public Libraries	37	11	48	77%	7.0%
Correction and Rehabilitation	8	40	48	17%	7.0%
Liquor Control	15	12	27	55%	3.9%
All other departments	54	68	122	44%	17.8%
<b>Total</b>	<b>328</b>	<b>358</b>	<b>686</b>	<b>---</b>	<b>100%</b>

Source: OHR 2008 Exit Survey Report.

The data from the 2008 Exit Survey Report also show that:

- 43% of exiting employees (295) had five or fewer years of service, including 146 who stayed less than one year.
- For job classes with 15 or more exiting employees, those with the highest separation rates were Social Worker II (20.25%), Equipment Operator I (15.46%), and Manager III (11.44%); and
- One in four exiting employees left for personal reasons. Among these employees, the job classes with the highest separation rates were Police Officer III (57.1%), Social Worker II (50%), and Equipment Operator I (33.3%).<sup>7</sup>

The Exit Survey reported the highest satisfaction ratings were for “all benefits” at 83.7% and the lowest ratings were “clear career paths” (37.8%) and “career advancement opportunities” at 41.2%.<sup>8</sup> Almost two-thirds (59%) of respondents were satisfied with “training and development opportunities,” and 49% were satisfied with overall workforce development.”<sup>9</sup>

<sup>7</sup> By comparison, in FY07 the job classes with the highest separation rates among employees who left for personal reasons were Public Safety Communication Specialist I (27.2%), Correction Officer I (17.5%), Social Worker II (8.7%), and Fire/Rescuer I (8.5%).

<sup>8</sup> These data reflect the perceptions of about one-third of the workers who left the County. Of this group, 61% of these were “voluntary retirements.”

<sup>9</sup> These data reflect the perceptions of about one-third of the workers who left the County. Of this group, 61% of these were “voluntary retirements.”

**FY09 Workforce Assessment.** In FY09, staff in OHR used an AARP workforce assessment tool to generate a report for the County Government workforce identifying potential workforce gaps, skill shortages, and proposed action steps. To generate the report, OHR staff compiled data on several variables that included employee age demographics in five year increments, average age of employees, and current average retirement age. The data OHR used for the workforce assessment did not distinguish between public safety and non-public safety employees or full-time and part-time employees.

Two forecasts from the report project the proportion of the County Government workforce eligible for retirement between 2010 and 2020 and possible skill shortages in the County Government that will result from these retirements. Table 7-2 on the next page summarizes the projected retirements and skill shortages.

The assessment tool categorizes the impact of a skill shortage on a particular function, summarized below from greatest impact to least impact:

- A **systemic impact** occurs when a shortage in a particular functions affects all functions;
- A **significant impact** occurs when a shortage in a particular function affects select functions; and
- A **localized impact** occurs when a shortage in a particular function does not affect other functions.

Based on the AARP analysis, by 2020, 30% of four parts of the County Government workforce will be eligible for retirement. The resulting shortages could create a systemic impact in three of these areas, i.e., the technical, professional, and MLS functions, and a localized impact in the fourth area, the clerical function. The analysis predicts 21% of the supervisory workforce will be eligible for retirement, and the impact will be significant.

**Table 7-2: Summary of Projected County Retirements and Skill Shortages, 2010-2020**

County Government Key Function	Impact of Shortages	Projected Retirement Numbers and Rates					
		2010		2015		2020	
		#	%	#	%	#	%
Technical	Systemic	107	7%	216	14%	439	29%
Professional	Systemic	1,388	13%	2,041	20%	2,922	28%
MLS	Systemic	79	10%	138	17%	252	32%
Supervision	Significant	14	4%	35	9%	82	21%
Clerical	Localized	126	9%	227	16%	446	31%

Source: AARP Workforce Assessment Summary Report-Prepared for Office of Human Resources. Dec. 2008.

See Appendix C for a copy of the full report. OHR staff report that they will review the action steps to determine which ones merit follow-up.

**Retirement Eligibility Analyses.** The CAO and OHR report that OHR has conducted retirement eligibility forecasts recently to address various program design issues:

- During the preparation of the Executive's FY09 and FY10 Recommended Budgets, OHR prepared a retirement eligibility forecast to assist with the design of the Retirement Incentive Programs; and
- In 2006, the OHR Training Team conducted a workforce assessment to determine the retirement eligibility for MLS employees and public safety management staff that showed approximately 50% of MLS employees would be eligible to retire in 2010. OHR used this analysis to help design the Manager Development Program.

### **C. Leadership Development Practices**

The County personnel regulations require the OHR Director to administer leadership training and general training activities.<sup>10</sup> Like many other jurisdictions, the County Government established a program to train senior and mid-level managers/supervisors, and subsequently created a program to develop a pipeline for MLS positions. These leadership programs are supplemented by other employee development programs.

#### **1. Leadership Development Programs**

County Government has developed two leadership development programs to train leaders in different parts of the County Government. The County Government established the Management Leadership Service (MLS) in 1998, and expanded it to include Band III positions in July, 2002. MLS was followed by the Manager Development Program in 2005 which serves as pipeline program for the MLS. Both of these programs are described in this section

##### **a. Management Leadership Service (MLS)**

The Management Leadership Service Program is the County Government's oldest leadership development program.<sup>11</sup> When first established, the MLS consolidated 59 selected County Government management/policy job classes into one management career path with two levels. Level I (M1) consolidated classes in pay grades 33 to 36, and Level II (M2) consolidated classes in pay grades 30 to 32. In 2002, the County expanded the MLS program to include selected job classes in Grades 27 and above and added a third pay level – Level III (M3).

The MLS program's six objectives are to:

- Foster improvement in the performance of managers, departments and the County through the consistent application of goal-setting and performance measurement,

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<sup>10</sup> Montgomery County Personnel Regulations § 14-1(b), Centralized employee development [hereinafter [MCPR]].

<sup>11</sup> MLS evolved from almost ten years of discussion about a special compensation and training program for senior County merit system employees. In the early 1990s, a consultant study examined the feasibility of a County program patterned after the federal Senior Executive Service (SES). Subsequently, two followup task force reports were completed in 1994. In 1996, a third report addressed regulatory reforms to improve OHR's functioning. According to a 1997 memorandum from the OHR Director to the County Executive, the design of the Leadership Development Services was intended to respond to the issues raised in the 1996 Regulatory Reform Task Force report.

- Increase job satisfaction while maintaining pay satisfaction,
- Ensure a countywide perspective through increased communication and collaboration among County managers,
- Ensure essential leadership skills for County managers through self assessment instruments and state of the art training and learning opportunities,
- Attract and retain a highly competent, diverse cohort of managers,
- Implement a flexible classification system so that management can quickly reassign MLS managers to respond to the needs of the County and its residents and managers can have opportunities to change assignments to pursue skill development, job enrichment and professional growth.

**Eligibility.** MLS employees include most Executive Branch management and policy positions, with some important exceptions. Specifically, the MLS Program excludes:

- Appointed, non-merit department directors and non-department heads;
- Highly skilled or specialized professional positions, such as doctors or lawyers;
- Legislative branch positions excluded by the County Council; and
- Management level public safety officials, who only participate in the professional development opportunities of the MLS.

**Training and Development.** MLS training and development is designed to enhance leadership skills and to increase employees' ability to adapt to organizational change. Trainings focus on assessing leadership strengths and needs and developing capabilities; establishing networks to promote information sharing, cooperation, and problem solving across departmental lines; and enhancing leadership skills across all County departments.

The **Leadership Institute** serves as the primary vehicle for delivering MLS training. Its key components include:

- Leadership classes with cross departmental representation;
- A web-based leadership survey designed to inform the development of individual leadership development plans; and
- A team-based experiential project and report that offers specific recommendations for a relevant County issue.

The interdepartmental Leadership Development Council, a group of senior managers and supervisors, advises the CAO and OHR Director about the creation and implementation of an Institute. Given the County's FY09 fiscal difficulties, OHR cancelled the Leadership Institute to preserve managers' time to address more pressing matters.

The County's **Quarterly Leadership Forums** are another component of the MLS training and development curriculum. Started in 1998 for approximately 300 Executive Branch managers, Quarterly Leadership Forums bring together three management groups in County Government:

- The Executive Branch department's senior management team;
- The managers of the County Government's public safety departments; and
- Other Executive Branch MLS members.



The QLF's intent is to develop cohesiveness among managers and to strengthen coordination and cooperation when implementing countywide priorities. The QLF provides managers an opportunity to hear from the County Executive and the CAO, to network, and to learn about and discuss best practices. Examples of meeting topics include a February 2009 presentation about fiscal and financial issues facing the County by staff from the Office of Management and Budget, the Department of Finance, the Office of Intergovernmental Relations, and OHR.

**Performance Plans.** The MLS Program uses a two-part performance accountability system that includes a performance planning and evaluation program and a performance-based pay system. Executive Regulations set the criteria for the performance planning system and pay awards. MLS performance plans must have the following four components:

- Three mandatory goals, such as promoting equal employment opportunities (EEO), conducting performance management of supervised staff, and maintaining a safe work environment;
- Performance expectations and targets that outline desired results and outcomes;
- Competencies that describe expected behaviors or how work is to be performed; and
- Career development goals that address skill development or experiential learning that addresses career or professional development goals.

MLS employees receiving ratings of “successful,” “highly successful,” or “exceptional,” are eligible to receive performance-based pay. Department directors recommend the type and amount of an employee's award. The CAO approves awards for Executive Branch MLS staff and office directors approve awards for Legislative Branch MLS staff.

**Organizational Flexibility.** The initial MLS design envisioned a cohort of senior managers that could easily be reassigned to divisions and departments across the County Government. According to the CAO, the original assumption that core management skills were a more critical driver of a manager's interests than subject matter expertise is not true. Both the CAO and OHR staff observe that many senior managers are committed to their professional careers. OHR also notes that the technical complexity and expertise associated with many County Government programs limit the ability of MLS managers to transfer across departments or functions. However, MLS managers do transfer across divisions within a department. OHR staff report that OHR does not track data to measure these results.

#### **b. The Manager Development Program (MDP)**

The Manager Development Program (MDP) is a program to develop leadership competencies in potential managers. The stated program objectives are to enhance leadership competencies, to increase organizational flexibility, and to improve occupational mobility for employees. The impetus for the program is based on the expectation that half of County manager positions could become vacant within five years.

**Program Structure.** The MDP program structure mirrors many of the MLS program components. The 18-month program includes an education and training component consisting of:

- Core courses from the County’s Supervisory Development Training Track,
- Training in a series of MLS core activities, such as budget, human resources, and contracting and procurement;
- Participation in the Leadership Institute; and
- An Experiential Learning Component.

The MDP operates under the overall direction of the CAO and a Leadership Council that includes representatives from several County departments. The Leadership Council reviews nominations and selects participants, certifies program graduates, and periodically assesses the program.

MDP participants complete an Individual Leadership Development Plan (ILDP) that includes input from an employee’s supervisor, mentor, program participant, and the Leadership Council and outlines specific developmental activities required for graduation. Participants receive interim and end-of-program assessments and provide program assessments that OHR uses as the basis for recommending program enhancements to the Leadership Council. Participants who complete the MDP receive program certification and are entitled to interview for entry-level MLS positions that subsequently open up.

**Eligibility.** The MDP program is open to non-managerial employees in grade 23 or above who have completed their probationary period and who have a rating of successful or higher for the most recent performance rating period. An employee must be endorsed by his or her department, have demonstrated leadership potential, and be committed to enhancing leadership competencies and career opportunities.

**Applicant Selection Process.** Applicants must complete an application that lists completed County supervisory courses, addresses the County’s core leadership competencies, describes their five-year career goals, and includes a written justification for why they should be selected for the program.

Departments are expected to rigorously screen employees’ suitability for the program, and an application form is reviewed by an employee’s immediate supervisor, division manager, and department director. Departments submit both completed applications for candidates they endorse and the names of candidates who were not endorsed.

OHR reviews applications to verify that the candidates meet the initial program eligibility criteria and to develop an eligible list of MDP finalists. OHR forwards the application packages to the Leadership Council MDP Selection Panel. The Leadership Council makes the final selection of MDP participants based on their demonstrated leadership potential.

**OHR’s Role.** OHR develops informational and promotional packages about the program, provides Leadership Council staff support, provides program documents, and serves as a program liaison.

**Program Participation and Results.** There have been two MDP classes since the program's inception. The first class had 135 applicants, 42 candidates selected to participate, and 38 graduates, representing 22 departments.<sup>12</sup> Of those who graduated:

- 10 employees were subsequently promoted to MLS positions;
- 20 are still in their same position or took a lateral transfer into another MCG position;
- 8 separated from the County for reasons other than normal or early retirement.

In August 2007, the CAO announced the application period for the second class. The second class of 40 participants was selected from a pool of 72 applicants, and the participants represent 15 departments.<sup>13</sup> The class of 40 participants is expected graduate in September 2009. So far, there have been 4 participants from the 2007-2009 MDP promoted or reclassified into MLS positions.

After the second group of MDP participants graduate, the County Government expects to have 70 MDP graduates who are still employed with the County. Of these, 14 are currently in MLS Leadership positions, and 56 have completed the MDP program but are not in an MLS position.

All eligible applicants, including graduates of the Manager Development Program, may apply and be considered for vacant positions. Graduates of the MDP who are in the highest rating category of candidates for a vacant position must be interviewed for those positions. Guaranteed job interviews are not applicable to uniformed Public Safety positions.

## **2. Employee Development and Training Opportunities**

The County Government provides a variety of training and development opportunities for employees. Some opportunities are available to all employees and some are limited to employees in specific departments. The County's public safety departments, other departments and the labor unions share responsibility with OHR for employee development and training. This section describes these opportunities.

### **a. OHR Employee Development Programs**

Under County personnel regulations, the Office of Human Resources Director is responsible for administering a centralized employee development and tuition assistance program to facilitate employees' professional and personal development.<sup>14</sup> In 2003, OHR restructured the employee development programs to emphasize training in employee competencies. (Note: Other changes

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<sup>12</sup> The 22 departments represented in the first class were: Department of Corrections and Rehabilitation, Office of the County Attorney, Department of Economic Development, Department of Finance, Department of Health and Human Services, Department of Housing and Community Affairs, Office of Human Resources, Office of Management and Budget, Department of Police, Department of Public Libraries, Department of Public Works and Transportation, Recreation Department, Regional Service Centers, County Executives Office, County Council, Community Use of Public Facilities, Commission for Women, Board of License Commission, Permitting Services, Office of Human Rights, Public Information Office, and Department of Technology Services

<sup>13</sup> The 15 departments represented in the second class are: Department of Corrections, Office of the County Attorney, Department of Economic Development, Department of Finance, Fire and Rescue Services, Department of Health and Human Services, Department of Housing and Community Affairs, Office of Human Resources, Office of Management and Budget, Department of Police, Department of Public Libraries, Department of Public Works and Transportation, Recreation Department, Regional Service Centers, and Department of Technology Services.

<sup>14</sup> See MCPR § 14.

incorporated these competencies and requirements for employee training into the performance management process occurred. For example, employee performance plans must include at least one training goal.)

OHR's Employee Development Programs are designed to encourage learning and develop employees' organizational competencies so they can assume more responsible positions in County Government. Training is open to County Government employees plus, when space is available, employees in other County agencies, community partners, contractors, and volunteers.

The program also includes several topical training tracks, each of which include required and elective courses that focus on a specific skill or competency area. Examples of training tracks include Communication Skills, Customer Service, Human Resource Management, Performance Management, and Supervisory Development. In addition, OHR partners with the Department of Health and Human Services (DHHS) to provide courses for DHHS employees that satisfy professional development training requirements.

#### **b. The PACE Program**

The Position and Career Education System (PACE) program is an informal, job-rotation program. Under PACE, the employee is responsible for defining his/her career objectives, making contact with appropriate department representatives, discussing options with his/her current supervisor, developing a plan that specifies the assignment's duration, and preparing the PACE contract. PACE assignments are typically six to 12 months long with an employee's home department covering their salaries for the duration of the contract. Participation in PACE does not guarantee promotion, transfer, reclassification, or requests for acting promotional pay.

According to OHR, PACE was developed in 1982 to enhance "Upward Mobility" for employees. The program is designed to assist individual employees in identifying their career objectives and to pursue enrichment/career development opportunities that broaden their skills, knowledge, and experience. According to OHR, these activities can contribute to their ability to pursue career goals and undertake future job challenges. In addition to enhancing skills and knowledge, PACE also offers participants a means to demonstrate leadership, expand their professional contacts, and make their current work more rewarding.

#### **c. Public Safety Career Ladders and Training Programs**

OHR staff report that the County Government public safety departments – i.e., Police, Fire, Corrections, and the Sheriff – have career ladders and training programs to develop employees and build leadership pipelines. These efforts complement OHR's employee development programs – the Management Leadership Service and the Manager Development Program. As an example, MCFRS' career ladder and training requirements are summarized below.

**MCFRS Career Ladder and Training.** Table 7-3 shows Montgomery County Fire and Rescue Services' career ladder, which has four steps in the firefighter series and two management steps.

**Table 7-3: Summary of MCFRS Career Ladder**

Class Code	Class Title	Salary Schedule	Salary Grade
003167	Fire/Rescue Captain	04	B2
003168	Fire/Rescue Lieutenant	04	B1
003169	Master Firefighter/Rescuer	04	F4
003170	Firefighter/Rescuer III	04	F3
003171	Firefighter/ Rescuer II	04	F2
003172	Firefighter/Rescuer I (Recruit)	04	F1

Source: MCFRS Salary Schedule 2010

The course training for the firefighter career ladder has 10 steps.<sup>15</sup> Employees must complete a combination of training courses, annual station recertifications, and college credits before sitting for a promotion exam. Career personnel above the rank of Firefighter II must complete training courses and college classes for each rank without compensation and off-duty. Table 7-4 summarizes MCFRS training requirements by rank.

**Table 7-4: MCFRS Firefighter Career Ladder and Training Requirements**

Rank	Course Hours	Cumulative Course Hours	Annual Hours for Recertification	College Credits (Volunteer/Career)
Candidate/Recruit	36			
Firefighter I	315	351	12	
Firefighter II	2	353		
Firefighter III	177	530	12	
Master Firefighter	60	590	12	
Fire/Rescue Lieutenant	100	690	12	0/15
Fire/Rescue Captain	0	690	12	0/30
Certified Chief Officer	13	703	12 plus 12 hours CEU	0/60
Rostered Chief	52	755	12 plus 12 hours CEU	0
Duty Operations Chief	52	807	12 plus 12 hours CEU	0/90

Source: 11-6-07 Memo from Minna Davidson, Legislative Analyst, to Public Safety Committee, at ©15-17. At [http://www.montgomerycountymd.gov/content/council/pdf/agenda/cm/2007/071108/20071108\\_ps23.pdf](http://www.montgomerycountymd.gov/content/council/pdf/agenda/cm/2007/071108/20071108_ps23.pdf)

#### **d. Departmental Programs**

Under County Personnel Regulations, County Government departments play a critical role in identifying and facilitating the training needs of its employees that cannot be fully address by OHR's employee development programs.<sup>16</sup> These needs include training for occupations unique to the department, state licensing requirements, and department-specific initiatives.

<sup>15</sup> MCFRS has a separate career ladder for Emergency Medical Services providers.

<sup>16</sup> MCPR § 14-2 (a)(3).

**Training.** County Government departments can fund certain training for employees. The County Personnel Regulations sanction County-funded training when the primary purpose of the training is to provide professional development related to an employee's current position or normal career progression within the department.<sup>17</sup> Table 7-5 below summarizes details from the Personnel Regulations related to County-funded training. In exchange for County funding, an employee must successfully complete training and remain employed with the County for a certain number of years after completing the course. The commitment to remain employed with the County does not apply when a department requires an employee to take training.

**Table 7-5: Summary of Approval Criteria for Department-Funded Training**

Amount Funded per Fiscal Year	Required Recommendation and Approval	Employee Commits to Remain a County Employee for...
\$200 or less	Approval: immediate supervisor	
\$201 – 3,000	Approval: Immediate supervisor	1 year after completion
\$3,001 – 6,000	Recommendation: Immediate supervisor Approval: Department director	2 years after completion
\$6,001 - \$9,000 (maximum)	Recommendation: Department director Approval: CAO	3 years after completion

Source: MCPR § 14-2(b)

**State Licensing Requirements.** OHR and DHHS partner to run the Center for Continuous Learning (CCL), which is designed to provide training that meets DHHS staff's educational and professional needs. OHR is responsible for the program and receives approval and authorization from the Maryland Board of Social Work Examiners to provide continuing education credits.

The program is modeled after a corporate university concept. OHR's program coordinator works closely with a CCL Training Liaison Committee – consisting of representatives from the five DHHS service areas – to develop the curriculum and course schedule for CCL courses.

#### **e. Union Contracts**

County labor unions also participate in the identification and provision of employee development training opportunities. Multiple references to training in current County labor agreements both specify requirements for specific training programs and identify how certain training requirements relate to an employee's performance appraisal. For example:

- **Fire and Rescue.** Article 35, Health and Safety, of the IAFF agreement requires employees to receive personal safety skills training to improve individuals' skills for dealing with the public. The agreement also requires that fitness assessments and in-house programs include the use of a certified peer fitness trainer.
- **County Government.** Article 29, Labor Management Relations Committee (LMRC), of the MCGEO agreement indicates that the County Government and the Union shall develop joint training in conflict resolution and for County Government supervisors and stewards to facilitate a productive relationship between the parties.

<sup>17</sup> MCPR § 14-2 (a)(1).

## **C. Knowledge Management Practices**

The emerging field of knowledge management brings a systematic approach and explicit practices to organizational structure and performance. Unlike traditional bureaucratic organizations that rely on a hierarchical structure and/or administrative rules to conduct operations, a knowledge management approach maps relationships among different types of organizational actors and characteristics (i.e., drivers, facilitators, enablers, and mechanisms); identifies the knowledge or “intellectual capital” that needs to be captured and maintained, and addresses the distribution of this knowledge throughout the organization.<sup>18</sup>

Effective knowledge management aims to create a system of distributed practices that can improve an organization’s internal cohesiveness and external responsiveness. The catalyst for implementing knowledge management practices can come from one of many sources, such as the information technology department or the human resources department. Below are examples of some knowledge management practices in County Government.

### **1. Temporary promotions/Assignments**

A temporary promotion (or position overfill) allows an employee to gain skills and competencies in a different position. Department directors can approve noncompetitive temporary promotions for an employee for up to 12 months.<sup>19</sup> A director must submit a written request for approval to the OHR Director that states the reason and expected duration. In FY09, 84 employees received Temporary Promotions within County Government.

### **2. Knowledge transfer contracts**

Knowledge transfer contracts are short term contractual agreements that County Government departments execute with soon-to-be or recently retired employees. These contracts fund up to 720 hours of work (18 weeks) to temporarily continue an employee’s work or to help train replacement employees.

The County used knowledge transfer contracts in conjunction with the 2008 (FY09) Retirement Incentive Program, and intended to use them with the 2009 (FY10) program as well. In 2008, the County entered into knowledge transfer contracts with 17 employees in eight departments for a total cost of \$488,000 (an average cost of \$28,700 per contract). Table 7-6 on the next page summarizes the number and cost of these FY09 contracts by department.

The 2009 (FY10) Retirement Incentive Program was not approved; however, the CAO is still authorizing knowledge transfer contracts for some retiring employees. As of July 1, 2009, the County has entered into knowledge transfer contracts with 3 employees in 3 departments at a total cost of \$84,022 (an average cost of about \$28,000 per contract).

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<sup>18</sup> Wiig: Application of Knowledge Management in Public Administration.

<sup>19</sup> MCPR § 27-2(c)(1)(A), Types of promotion, temporary promotion.

**Table 7-6: FY09 Knowledge Transfer Contracts**

Department	# of Contracts	Amount
Office of Human Resources	2	\$65,872
Department of Finance	1	\$31,392
Department of General Services	1	\$23,846
Fire & Rescue Services	1	\$20,981
Department of Transportation	2	\$67,846
Department of Health & Human Services	6	\$189,784
Department of Recreation	3	\$63,186
Department of Environmental Protection	1	\$25,200
<b>TOTAL</b>	<b>17</b>	<b>\$488,107</b>

Source: OLO.

### 3. Automating or documenting standardized business processes

Many County Government programs use a standard set of procedures and/or a complex set of administrative rules. Public sector organizations commonly document or automate the application and interpretation of rules and procedures as a knowledge management practice. Two examples of County Government automation projects to capture institutional knowledge are ePerform and the Enterprise Resource Planning (ERP) project.

ePerform. In July 2007, OHR deployed ePerform, a web-based application to administer performance planning, evaluation, and compensation for non-bargaining employees. ePerform helps manage the County's performance management process and link pay to performance. OHR designed an online ePerform training program for managers and employees and posted resource guides online.

The Enterprise Resource Planning project. The Enterprise Resource Planning (ERP) project is a multi-year effort to upgrade administration of the County Government's business processes with a focus on internal administrative functions, (i.e., human resources and payroll, budget preparation, and procurement.) Initially, the ERP will map, analyze, and re-engineer existing business process workflows, followed by an upgrade of County systems to new, state of the art support with a single, integrated base of data. The ERP's goal is to share information and integrate resources across County functions.

The CAO anticipates that the ERP project could support strategic downsizing because the County can create efficiencies through the business mapping process. The CAO, however, does not envision using the ERP to improve strategic workforce planning because department heads currently have access to all necessary information for workforce planning. See Appendix D for a memorandum from the County Executive about the ERP.



MC311. The MC311 project will centralize customer intake and capture all information in a centralized Knowledge Management database for MC311 customer service representatives. MC311 will provide the general public with a single, three digit number, point of contact for all information requests and provide service request tracking and traceability. It will provide the general public with a higher quality of service delivery and accountability, while helping the Government achieve operational efficiencies. As a key strategic, enterprise-wide initiative, MC311 will make the County a center of best practice for Government responsiveness and transparency.

#### **D. Recruitment and Retention Practices**

Comprehensive approaches to workforce planning and succession management use an array of recruitment and retention practices to manage the transitions that workforce flow and workforce turnover create. The County Government has several recruitment and retention practices that address both the acquisition of new talent and the retention of existing employees.

Strategies to address new employees include: open continuous recruitments, an online applicant tracking and resume management system, and a variety of internships.

Strategies to retain existing employees include: the MLS and Manager Development Programs, tuition assistance, retirement and employee health benefit plans, including the Deferred Retirement Option Plans (DROP) plans; performance based pay, and a system of employee competencies.

OHR has also developed training course competency charts that link employee, supervisor and MLS competencies with training course titles to help employees or managers select courses that enhance on-the-job skills, knowledge and experience. These competency charts provide managers and employees with a focused approach to learning and applying new skills to achieve improved performance at work.

The CAO believes the County's ability to offer competitive salaries and bonuses are its best recruitment tools. He also observes that the option to transition to the newly available Guaranteed Retirement Income Plan (GRIP) has the opportunity to improve retention, compared to the defined contribution plan.

## **Chapter VIII: Findings**

National demographic forecasts suggest that public and private sector organizations alike will soon face a wave of retirements among baby boomers. A succession plan explains how an organization intends to address the effects of its changing workforce so that the right staff are in the right positions today and in the future.

The Council requested this Office of Legislative Oversight (OLO) study to better understand how retirements will affect the Montgomery County Public Schools' (MCPS) and the County Government's workforces in the coming decade. To that end, OLO examined MCPS' and the Executive Branch of the County Government's succession planning efforts, including the collection of workforce data, the analysis and monitoring of changes in workforce composition, and responses to projected workforce changes. This report also summarizes national workforce trends and best practices in public sector organizations.

A review of the research indicates that, besides succession planning, other organizational responses to boomer retirements include strategic workforce planning, leadership development, and knowledge management programs. To that end, OLO's review of MCPS' and the County Government's responses addresses each agency's strategic workforce planning; knowledge management; leadership development practices, as well as their succession planning efforts. This study uses the phrase "succession management" to refer to this collective set of practices.

In brief, the highlights of this review show:

- One-third of MCPS' and County Government Executive Branch workforces will be eligible to retire within the next 10 years. MCPS' 10-year retirement forecast includes 48% of all principals and 50% of all central office administrators. The Executive Branch's 10-year retirement forecast includes 83% of uniformed public safety managers and 55% of civilian managers.
- MCPS monitors workforce trends through periodic reports that include the Staff Statistical Profile, and its *Annual Report on Our Call to Action*. This includes monitoring and publishing data on retirement eligibility for its workforce by employee union.
- MCPS has a succession plan for its principals, but not for its central office administrators; however, over the past year, MCPS has embarked on a system-wide strategy to have each central office map their key work processes and develop an action plan to evaluate them.
- The County Government Executive Branch monitors workforce issues through periodic studies, yearly one-on-one department reviews, and the budget development process. The County Government collects and reports workforce data, including exit data, but does not publish workforce trends or retirement eligibility forecasts.
- The County Government's Management Leadership Service (MLS) and Manager Development Program (MDP) reflect best practices; however, the MLS vision of a mobile senior leadership corps has not been realized. The County Government also uses knowledge transfer contracts to retain institutional knowledge needed to sustain County service delivery.

The balance of this chapter presents OLO's findings in three parts:

**Part A, National Workforce Trends and Best Practices**, summarizes the anticipated workforce effects of converging demographic trends and research about the range of succession management practices that characterize an effective public sector response;

**Part B, Montgomery County Public Schools**, describes workforce composition changes, turnover trends, and MCPS' practices in reporting workforce data and addressing projected workforce gaps; and

**Part C, Executive Branch of the County Government**, presents an overview of the changing Executive Branch workforce, including forecasted changes in retirement eligibility, and summarizes Executive Branch practices to report workforce data and respond to projected workforce gaps.

## **A. National Workforce Trends and Best Practices**

**Finding #1: Workforce changes due to retirements, aging employees, and a smaller pool of replacement workers create succession management challenges and opportunities for organizations.**

Human resource experts predict that three converging, demographic trends could lead to skilled labor shortages, declines in productivity, and an irreplaceable loss of institutional knowledge in the next ten years. These trends are:

- Baby boomer retirements;
- An aging workforce; and
- A shrinking pool of skilled replacement workers.

Researchers predict that government workforces will face risks from these demographic trends earlier than private workforces. For example, according to the Center for State and Government Excellence, in 2006, almost 70 percent of state and local government workers were knowledge workers, compared to 30 percent of private sector employees. Further, public sector employees are, on average, older and better educated than their private sector counterparts.

Organizations can develop plans to effectively manage the effects of these trends. However, while it is relatively easy to forecast employees' retirement eligibility, it is difficult to predict which employees will actually retire. Individual circumstances and the economy both affect individual retirement decisions. The current recession's impact on retirement rates varies, with some workers delaying retirement and other workers choosing to retire early.

The anticipated workforce trends create both challenges and opportunities. For example the U.S. Bureau of Labor Statistics (BLS) lists numerous local government occupations as “hard to fill,” including correctional and police officers, firefighters, education administrators, teachers, child care workers, dispatchers, and all health care occupations. Another recruitment challenge is that recently reduced local government benefit packages may make it more difficult to compete with the private sector for talented replacement workers. Historically, more generous public sector benefit packages helped offset lower public sector wages.

On the other hand, workforce turnover creates opportunities. For example, turnover provides an opportunity for an organization to improve its workforce diversity, including diversity in leadership positions. Other examples of opportunities created by strategically managing workforce turnover include reduced recruitment costs due to leadership development programs that raise employee retention rates, and efficiency improvements due to knowledge management programs that eliminate archaic or duplicative tasks.

**Finding #2: Developing a succession plan can be a stand-alone exercise or part of a broader organizational response to manage future demographic risks.**

Many organizations address organizational succession issues separately from other human resource functions. However, a succession management approach that integrates workforce planning, succession planning, leadership programs, and knowledge management practices can be more effective.

Under an integrated workforce management approach, a succession plan is a workforce planning product that identifies specific organizational strategies to address a targeted list of future workforce gaps. The research suggests an organization develop the following components and best practices to establish an integrated succession management approach:

**(a) Workforce planning**, an analytical process that an organization can use to identify gaps in its workforce, compares baseline personnel data and workforce projections to identify workforce gaps and develop strategies to address these gaps. “Workforce planning” best practices include:

- Selectively addressing trouble spots in a workforce, rather than trying to address all challenges in an organization’s workforce.
- Engaging managers at all levels of an organization in workforce planning, not just including human resources staff. An organization can also incorporate workforce planning into managers’ routine processes, such as strategic planning or budgeting.

**(b) Succession planning**, a subset of workforce planning, identifies positions or people that are critical to an organization’s success, and develops strategies to minimize risks that may occur when critical employees leave an organization. Best practices research recommends that organizations analyze the retirements that will have the greatest impact on an organization or will be the most difficult to deal with, instead of assuming all retirements are equally significant.

**(c) Leadership development programs**, a common outcome of a succession plan, serve as training programs that prepare participants for senior management positions. “Leadership development” best practices include:

- Coaching/Mentoring that identifies and assigns individual experts to support leadership development candidates. Coaches and mentors can provide employees advice, insight, feedback, guidance, modeling, and positive reinforcement.
- Formal Leadership Development Programs or Leadership Academies that combine traditional classroom workshops with experiential hands-on learning opportunities. Training focuses on gaining leadership competencies, developing management or supervisory skills, or content knowledge.

**(d) Knowledge management practices**, organizational efforts to capture or transfer knowledge from key employees to others, help ensure that years of accumulated knowledge do not leave an organization when an employee retires. “Knowledge management” best practices include:

- Having key employees train others on tasks in which they specialize;
- Allowing employees to shadow employees who are leaving an organization; and
- Ensuring every employee has a trained back-up person.

**Finding #3: Organizations that engage in succession management on an ongoing basis are better positioned to have the right people in the right places in the short- and long-term.**

Research shows that organizations with strategic and/or integrated succession management approaches experience higher retention rates, increased employee morale, and an environment that stimulates innovation and organizational change.

Among other things, ongoing succession management can lead an organization to develop a strategic workforce plan. This approach connects traditional human resource functions and activities, including the objectives of leadership development programs, professional growth systems, or knowledge transfer, to issues that ensure an organization’s future sustainability. Despite their perceived benefits, most organizations do not have a strategic workforce plan.

## **B. Montgomery County Public Schools**

The next six findings address workforce data and succession management practices within MCPS:

- **Findings 4 - 6** present workforce composition changes, retirement eligibility trends, and turnover rates.
- **Findings 7 - 9** highlight the workforce planning and succession management efforts undertaken by MCPS to develop and retain a qualified and knowledgeable workforce.

**Finding #4: The MCPS workforce is aging with employees age 60 and above increasing to 11% of the workforce in 2009 compared to 8% in 2004.**

The MCPS workforce includes teachers, support services personnel, and administrators – a total of 22,014 employees in 2009. A comparison of workforce age distribution in 2004 and 2009 shows the cohort of employees age 60 and above grew steadily for the past six years, increasing from 8% in 2004 to 11% in 2009. (There were 873 more employees age 60 or above in 2009, a 55% increase.)

The cohorts of younger workers held steady as declines in the cohorts of middle aged employees absorbed the increase of senior workers. Employees age 40-49 declined 2% compared to a 1% decline for employees age 50-59.

**Size and Distribution of MCPS Workforce by Age, 2004-2009**

	2004	2005	2006	2007	2008	2009	Change
Size of MCPS Workforce							
<b>Total Workforce</b>	<b>20,303</b>	<b>20,785</b>	<b>21,277</b>	<b>21,849</b>	<b>22,122</b>	<b>22,014</b>	<b>1,711</b>
Distribution by Age Cohort							
Age 29 and under	14%	14%	15%	15%	15%	14%	0%
Age 30-39	21%	21%	21%	21%	21%	21%	0%
Age 40-49	27%	26%	26%	25%	25%	25%	-2%
Age 50-59	30%	30%	30%	30%	29%	29%	-1%
Age 60 and above	8%	8%	9%	9%	10%	11%	3%

Source: MCPS Staff Statistical Profiles 2004-2009

**Finding #5: Half of MCPS' principals, central-office administrators, and business and operations administrators will be eligible to retire within 10 years.**

In general, MCPS employees are eligible to retire if they have a combined 30 years of experience at any age, or if they are at least 62 years old with five years of MCPS experience. Overall, while 19% of MCPS' current total workforce will be eligible to retire in the next five years, 30% of principals, 31% of central-office administrators, and 37% of business and operations administrators will be eligible to retire in that same timeframe. Similarly, where 33% of MCPS' current total workforce will be eligible to retire within ten years, about half of all principals and administrators will be eligible to retire in that timeframe.

### Retirement Eligibility of MCPS Workforce by Employee Group, 2009-2018

Employee Groups	Percent Eligible to Retire in:		
	2009	2013	2018
<b>Total Workforce</b>	<b>9%</b>	<b>19%</b>	<b>33%</b>
Central-Office Administrators (MCAAP)	12%	31%	51%
Principals (MCAAP)	17%	30%	48%
Assistant Principals (MCAAP)	7%	16%	30%
Business and Operations Administrators (MBOA)	20%	37%	55%
Other Professionals (MCEA)	13%	29%	45%
Teachers (MCEA)	6%	14%	25%
Support Services Personnel (SEIU)	12%	23%	41%

Source: MCPS Staff Statistical Profile 2009

### Finding #6: MCPS has an 8-10% annual turnover rate among administrators, teachers, and support services personnel.

According to MCPS staff, the ability to replace employees who leave MCPS employment is critical to MCPS' ability to continually meet organizational goals. Moreover, turnover data that disaggregates separations by reason helps inform replacement planning since it shows how much retirement versus other factors, such as terminations, are drivers of workforce turnover. The turnover rate among administrators, teachers, and support staff experience has averaged 8-10% every year since 2004 with retirements accounting for about half of all administrator turnover compared to 28% of teacher and 29% of support staff turnover.

### Annual Rate of MCPS Separations by Employee Group and Reason, 2004-2008

Employee Group and Separation Reason	2004	2005	2006	2007	2008
<b>MCAAP</b>	<b>9%</b>	<b>10%</b>	<b>9%</b>	<b>10%</b>	<b>9%</b>
- Retirements	6%	3%	4%	5%	4%
- Transfer/promotion	1%	5%	2%	3%	2%
- Termination	2%	2%	4%	2%	3%
<b>MCEA</b>	<b>9%</b>	<b>8%</b>	<b>8%</b>	<b>9%</b>	<b>8%</b>
- Retirements	3%	2%	2%	2%	3%
- Transfer/promotion	1%	1%	1%	1%	1%
- Termination	5%	6%	5%	5%	5%
<b>SEIU</b>	<b>8%</b>	<b>9%</b>	<b>9%</b>	<b>8%</b>	<b>8%</b>
- Retirements	2%	3%	3%	2%	2%
- Transfer/promotion	1%	1%	1%	1%	1%
- Termination	5%	6%	6%	5%	4%

Source: MCPS Staff Statistical Profile 2009

**Finding #7: MCPS uses the Staff Statistical Profile and other periodic reports to monitor workforce trends. MCPS develops an annual staffing plan for special education but not for other positions in the workforce.**

MCPS collects data on a number of measures that are essential to analyzing current and projected workforce gaps. However, MCPS has not developed a strategic workforce plan for most of the positions it employs.

MCPS' annual Staff Statistical Profile reports data on: employee demographics; age distribution; retirement eligibility; and turnover patterns for administrators, teachers, other professionals, and support services personnel. MCPS uses this data to track the diversity of its workforce, staff turnover, and a host of other measures aligned to its strategic plan, *Our Call to Action*. MCPS, however, does not use these data to project future staffing needs for most of its workforce, such as the number of principals needed over the next five to ten years compared to the projected supply of principals during that time frame.

The absence of a strategic workforce plan stands in contrast to the long-range planning process that MCPS relies upon to ensure that it has enough classrooms for anticipated enrollment. It also stands in contrast to the special education staffing plan that MCPS develops annually as part of its operating budget to ensure it employs enough special educators and related service providers to meet the needs of students with disabilities.

**Finding #8: MCPS has a succession plan for school-based administrators (e.g., principals), but not one for central office administrators.**

Succession planning refers to the preparation of staff to fill critical leadership positions within an organization. Eight years ago, MCPS began the Leadership Development Program (LDP) to enhance its pipeline of school-based administrators. The LDP is an intensive four- to five-year principal preparation program that includes on the job professional development, leadership seminars, and training.

According to MCPS, the LDP has been successful in providing internal candidates the opportunity to perform as principals and to increase their success once they become principals. In recent years, more than 90% of MCPS' newly hired elementary and secondary principal completed the LDP. In contrast, MCPS has neither developed nor assessed the need for a parallel succession plan for central office administrators. While some MCPS division directors have deputies who could potentially succeed into their positions (e.g., directors of Maintenance and Transportation), many do not. However, an informal succession approach may operate within MCPS given that 87% of central office administrative openings within the last five years were filled by internal candidates.



**Finding #9: MCPS' commitment to process management may temper the potential adverse impact of central office administrator turnover.**

To transfer organizational knowledge among employees, MCPS has invested in documenting and enhancing its "key work processes". MCPS defines a key work process as one that is vital to the success of an office: without its successful implementation, the office will not be able to achieve its goals. For example, the master scheduling process is a key work process of the Office of School Performance, while the routing and scheduling of school buses is a key work process for the Department of Transportation.

MCPS' focus on identifying and refining key work processes intensified three years ago following an external review of the school system's implementation of the Baldrige Criteria for Performance Excellence. As part of this review, the examiners posed the following question: if all 22,000 of MCPS employees left on a Friday and were replaced by all new staff the following Monday, what would the new employees do? Some MCPS offices could identify and describe their key work processes while others were unsure of what a key work process was.

Over the past year, MCPS has embarked on a systemwide strategy to have each central office:

- (1) Map key work processes and develop an action plan to evaluate them;
- (2) Identify and map their five most critical work processes utilizing the IGOE framework summarized below that addresses the following questions:
  - a. Inputs – What do we need to do this (e.g., information, materials, people)?
  - b. Guides – What policies/regulations guide why, when, and how we do what we do?
  - c. Outputs – What do we produce or deliver (e.g., results, information)?
  - d. Enablers – Where do we do it and who/what helps us do it?
- (3) Identify both in-process and outcome measures to analyze whether key work processes are reaching their intended goals; and
- (4) Develop a communications plan for employees that are impacted by or involved in the key processes.

According to MCPS, the plan is that within two years, every department will articulate, publish, evaluate, map, and create performance measures for each of its key work processes.

### C. Executive Branch of Montgomery County Government

The next nine findings summarize County Government Executive Branch workforce data and succession management practices:

- **Findings 10 - 13** provide summary data on the County Government Executive Branch workforce, retirement eligibility rates, and turnover; and
- **Findings 14 - 18** examine the workforce planning and succession management practices implemented by the Executive Branch of County Government.

#### **Finding #10: The Executive Branch workforce is aging with employees age 50 and above increasing to 36% of the workforce in 2009 compared to 33% in 2004.**

The Executive Branch workforce had 9,000 full-time employees in 2008, an increase of 13% since 2004. A comparison of the Executive Branch workforce in 2004 and 2008 shows employees age 50-59 and age 60 and above increased their workforce representation by a combined 4%. These increases were offset by declines in the cohorts of employees age 30-39 and age 40-49.

Specifically, from 2004 to 2008, the cohort of employees age 50-59 increased from 27% to 28%; and the cohort of employees age 60 and above increased from 6% to 8%. The cohorts of employees age 30-39 and age 40-49 declined steadily over the five years, with the representation of employees age 30-39 and age 40-49 decreasing by 2% and 3% respectively.

**Size and Distribution of Executive Branch Workforce by Age, 2004-2008**

Age	2004	2005	2006	2007	2008	Change
Size of Executive Branch Workforce						
<b>Total Workforce</b>	<b>7,941</b>	<b>8,129</b>	<b>8,383</b>	<b>8,802</b>	<b>9,000</b>	<b>1,059</b>
Distribution by Age Cohort						
Age 29 and under	10%	10%	11%	11%	11%	1%
Age 30 - 39	24%	24%	23%	23%	22%	-2%
Age 40 - 49	33%	32%	32%	31%	30%	-3%
Age 50 - 59	27%	27%	27%	27%	28%	2%
Age 60 and above	6%	7%	7%	8%	8%	2%

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

**Finding #11: Within ten years, 37% of the current Executive Branch workforce will be eligible to retire, including 55% of MLS and Question A managers and 83% of uniformed public safety managers.**

Retirement eligibility requirements for County Government employees vary based on an employee's job position, data of hire, and union status. The table below displays the percent of current Executive Branch employees eligible to retire today, in five years, and ten years from now. The data show that:

- The share of current employees eligible to retire increases from 8% today to 20% in five years and 37% in ten years.
- In ten years, 46% of current non-management firefighters and 32% of current general salary schedule employees will be eligible to retire.

Among the Executive Branch leadership cohorts, the data show that in ten years:

- 88% of current uniformed police managers and 91% of the current uniformed fire service managers will be eligible to retire.
- About half of current MLS, Question A, and Correction managers will be eligible to retire.

**Retirement Eligibility of Executive Branch Workforce by Employee Group, 2009-2018**

Employee Groups	Percent Eligible to Retire in:		
	2009	2013	2018
<b>Total Workforce</b>	<b>8%</b>	<b>20%</b>	<b>37%</b>
<b>Unrepresented Employee Groups</b>			
General Salary Schedule	6%	25%	46%
MLS and Question A	9%	29%	55%
Police Managers	40%	77%	88%
Fire Managers	86%	91%	91%
Correction Managers	12%	31%	58%
<b>Represented Employee Groups</b>			
MCGEO	4%	15%	32%
Police Bargaining Unit	8%	16%	32%
Fire Bargaining Unit	24%	34%	46%
Correction Officers	1%	6%	27%

Source: Workforce Data Provided by OHR Staff as of September 10, 2009

**Finding #12: Retirement rates among eligible Executive Branch employees vary by group with the highest rates evident among public safety employees and managers.**

Retirement rates describe the percent of employees eligible to retire who actually retire. The table shows retirement rates for the entire Executive Branch workforce and specific sub-groups. Overall, the retirement rate for the workforce declined steadily between 2004 and 2008, from 43% to 28%.

The data for the entire workforce masks disparities among sub-groups. Generally, retirement rates for public safety employees and uniformed managers were twice as high as rates for their civilian peers. In 2008, for example, retirement rates were 67% for police managers and 50% for police officers compared to 20% for MLS and Question A managers and 27% for MCGEO members.

**Percent of Retirement-Eligible Executive Branch Employees who Retired, 2004-2008**

Union/Employee Group	2004	2005	2006	2007	2008
<b>Total</b>	<b>43%</b>	<b>35%</b>	<b>33%</b>	<b>27%</b>	<b>28%</b>
<b>Unrepresented Employee Groups</b>					
General Salary Schedule	30%	25%	25%	21%	25%
MLS and Question A	40%	41%	40%	28%	20%
Police Managers	80%	80%	75%	75%	67%
Fire Managers	100%	NA	100%	67%	75%
Correction Managers	50%	0%	20%	17%	0%
<b>Represented Employee Groups</b>					
MCGEO	39%	31%	29%	23%	27%
Police Bargaining Unit	82%	80%	74%	63%	50%
Fire Bargaining Unit	87%	76%	75%	76%	67%
Correction Officers	60%	40%	0%	50%	43%

Source: Workforce Data Provided by OHR Staff July 2009

**Finding #13: Turnover among Executive Branch employees averaged 6% between 2005 and 2008. About half of all Executive Branch turnover occurred within the first five years of employment.**

Between 2005 and 2008, 2,149 employees left the County workforce representing 5-8% of the Executive Branch workforce annually. The table on the next page shows the number of separations by reason and length of service among Executive Branch employees. During this four year period, 88% of all separations were voluntary with nearly half of these reflecting retirements. In addition, the data show that 48% of all separations occurred in the first five years of service.

### Executive Branch Workforce and Separations by Reason and Years of Service, 2005-2008

	2005	2006	2007	2008	Total
<b>Total Separations</b>	<b>445</b>	<b>514</b>	<b>504</b>	<b>686</b>	<b>2,149</b>
Turnover Rate	5%	6%	6%	8%	6%
<b>Separations by Reason</b>					
Retirements	162	204	170	328	864
Other Voluntary Reasons	225	259	266	269	1,019
Involuntary Reasons	48	42	58	72	220
Other Reasons	10	9	10	17	46
<b>Separations by Years of Service</b>					
Less than 1 Year	76	124	116	146	462
1 to 5 Years	156	144	146	149	595
6 to 10 Years	36	41	60	53	190
11 to 15 Years	32	26	35	35	128
16 to 20 Years	36	57	46	76	215
21 to 25 Years	23	36	26	65	150
26 to 30 Years	41	47	35	55	178
30 or More Years	45	41	40	107	233

Source: Office of Human Resources Exit Surveys 2005-2008

**Finding #14: The Executive Branch uses workforce data to develop the budget and monitor departmental performance. However, there is no countywide strategic workforce plan.**

The Office of the County Executive, the Office of Human Resources (OHR), and department directors jointly track and monitor workforce data to support County operations and inform the annual budget process. For example:

- The Chief Administrative Officer (CAO) monitors departmental progress on workforce goals through periodic studies and regular reviews of departments' performance plans through CountyStat;
- OHR annually prepares the Personnel Management Review and an exit survey report to track personnel changes and support the budget process;
- Department directors factor knowledge of pending retirements and separations into budget recommendations to the Executive; and
- The Executive assesses each department's vacancies and its short-term and long-range strategies as part of his preliminary and final budget reviews.

Much of the workforce data used by the Executive Branch could be used to develop a countywide strategic workforce plan; however, the County Government does not have such a plan. The CAO's view is that developing a strategic workforce plan for the entire Executive Branch is impractical because departments' missions and workforce requirements are so diverse. Instead, the CAO expects department directors to manage succession issues as part of day-to-day operations by:

- Training current employees to fill senior positions;
- Taking actions to address anticipated staff shortages; and
- Responding quickly to unexpected staff shortages.

**Finding #15: Two County Government reports provide an annual profile of the Executive Branch's workforce and analysis of yearly separations. However, these reports lack data on workforce trends and retirement eligibility.**

OHR and the Executive Branch departments currently use multiple data systems for tracking County employee demographic, salary, position, and retirement information. These include the following:

- **The Human Resources Management System (HRMS)** that provides a personnel database and payroll administration tool to track employee demographic and job status data;
- **The Position Control System (PC)** to track all vacant and encumbered positions;
- **The Human Resources Benefit System** to maintain benefit, retirement and demographic data on all active and retired employees eligible for group insurance; and
- **The Human Capital Management System** that serves as a data warehouse, inclusive of HRMS and PC data, for use by department staff to generate workforce reports.

OHR compiles information from these various systems into two annual workforce reports:

- **The Personnel Management Review (PMR)** that includes demographic, union, and EEO data for the County Government workforce and analyses of turnover and wage and salary comparability for merit system employees.
- **The Exit Survey** that analyzes employee separations by reason, age, gender, ethnicity, years of service, EEO category, and department. The Survey reports actual retirements by department and summarizes feedback from an employee survey about County Government employment.

Neither report includes data on retirement eligibility or workforce trends which could prove useful in anticipating and responding to changes in the Executive Branch workforce. The PMR also does not disaggregate data by department.

OHR anticipates that the implementation of the Enterprise Resource Planning System (ERP) will bring all of the current human resource functions into one system and also add a workforce management module. OHR hopes to include the following human resource functions in the ERP:

- |                                    |   |
|------------------------------------|---|
| • Selection and Hiring;            | • Classification;                               |
| • Transfer, Promotion, Separation; | • Compensation/Salary Equity;                   |
| • Training/Development;            | • Record Maintenance; and                       |
| • Performance Management;          | • Benefit Enrollment, Eligibility, and Payment. |

**Finding #16: The County Government's Manager Development Program uses best practice strategies to create a succession pool for the Management Leadership Service.**

The intent of the Manager Development Program (MDP) is to develop a cohort of employees who can succeed into management positions as part of the Management Leadership Service. MDP's objectives are to enhance employees' leadership competencies, organizational flexibility, and occupational mobility. OHR reports the impetus for the program is based on the expectation that half of County manager positions could become vacant within five years.

The Manager Development Program uses a number of best practices utilized by other jurisdictions to develop their cadres of future managers. Specifically, the MDP program includes a leadership institute, action/experiential learning, and an Individual Leadership Development Plan.

There have been two MDP classes, with candidates representing 23 departments, since the program's inception. After the second MDP class graduates in September 2009, the County Government expects to have 70 MDP graduates who are still employed with the County. Of these, 14 are currently in MLS Leadership positions and 56, have completed the MDP program and are eligible to interview for future MLS Leadership positions.

**Finding #17: The County Government has not realized the Management Leadership Service's goal of training senior professional managers that could be reassigned across County Government departments.**

The Management Leadership Service (MLS) program was designed to:

- Create "a flexible classification system;"
- Allow management to "quickly reassign MLS managers to respond to the needs of the County and its residents;" and
- Give managers "opportunities to change assignments to pursue skill development, job enrichment and professional growth."

However, the goal of developing a mobile corps of senior County Government managers has not been realized. Based on anecdotal information, OHR has observed MLS managers transfer across divisions within a department, but not across departments. OHR notes that the technical complexity and expertise associated with many County programs limit managers' ability to transfer across departments. Further, the CAO indicates that the original assumption that core management skills were a more critical driver of a manager's interests than subject matter expertise proved not to be true.

**Finding #18: The County Government's knowledge management practices provide a stop-gap response to some immediate succession issues and a long-range response to others.**

To transfer knowledge among employees, the County Government uses knowledge transfer contracts, automates or documents standardized business processes, and uses temporary promotions and assignments.

**Knowledge Transfer Contracts.** The CAO authorized the use of knowledge transfer contracts with retiring employees in key positions to maintain the systematic delivery of County services. Departments use these contracts to develop written policies and procedures or share historical knowledge of administrative procedures. The contracts authorize up to 720 hours of work and departments pay for the contracts from budgeted funds.

In FY09, eight departments entered into 17 knowledge transfer contracts at a cost of \$488,107. As of July 1, 2009, three departments entered into contracts with three employees at a total cost of \$84,022.

**Automating Business Processes.** The Enterprise Resource Planning (ERP) project and MC311 are two technology projects designed to automate County Government business practices. The ERP project will upgrade the technology for the County Government's internal administrative functions and MC311 will upgrade the County Government's external customer relation functions.

The CAO anticipates that the ERP project could support strategic workforce downsizing because the technology can lead to efficiencies. The CAO, however, does not envision using the ERP to improve strategic workforce planning because department heads currently have access to all necessary information for workforce planning.



## **Chapter IX: Recommended Discussion Issues**

Within the next decade, one-third of the Montgomery County Public Schools' and the County Government's Executive Branch workforces will be eligible to retire. Moreover, over half of each organization's senior leadership will be eligible to retire. Left unaddressed, the organizational impacts of these staff departures could include a loss of institutional knowledge in key positions and ongoing recruitment challenges. However, turnover of this magnitude also presents unique opportunities to substantially improve workforce diversity and reshape skill sets.

Both MCPS and the County Government have instituted an array of succession management practices, but gaps in data collection and program practices exist. To date, among the agency accomplishments that model best practices are MCPS' pipeline for future principals and the County Government's leadership development programs. Among the outstanding issues for the agencies to address are the development of a succession plan for MCPS' central office administrators and improvements to the County Government's use and reports of workforce data to better understand the scope of their succession management needs.

The magnitude of pending retirements, the gaps in data collection and program practices, the anticipated challenges and potential benefits to be realized from workforce turnover suggest the agencies' succession management practices merit ongoing Council oversight. As MCPS and the County Government continue to prepare for the effects of these anticipated retirements, OLO recommends the Council pursue three specific oversight tasks:

1. Conduct ongoing reviews of the adequacy of each agency's workforce data collection, analysis, and reporting practices.
2. Hold regular discussions about the specific workforce challenges each agency faces today and in coming years, based on a close reading of tailored workforce trend data that includes retirement eligibility forecasts, actual retirement rates, and other turnover trends.
3. Assess annually how well each agency's current and future plans address the workforce challenges anticipated.

To assist the Council with its oversight, the rest of this chapter presents recommended questions that the Council use to further explore these oversight issues with representatives from Montgomery County Public Schools' (MCPS) and the County Government.

## **DISCUSSION ISSUES FOR MCPS' SUCCESSION MANAGEMENT PRACTICES**

### **1. The adequacy of MCPS' workforce data collection, analysis and reporting practices.**

Organizations that identify current and projected workforce gaps and implement strategies aimed at eliminating these gaps are best positioned to have the right staff in the right positions now and in the future. MCPS collects an abundance of data that can measure gaps in its current workforce. For example, MCPS' *Annual Report on Our Call to Action* describes the demographic diversity of the MCPS workforce. MCPS' Staff Statistical Profile also describes staff demographics and further describes employees by age and retirement eligibility and provides turnover data by union that could be used to forecast workforce gaps.

OLO recommends that the Council discuss with MCPS representatives whether the school system's current data collection, reporting, and analysis practices enable the agency to identify current and projected workforce gaps. In particular, we suggest the following questions for discussion:

- a. How does MCPS project future staffing needs and workforce gaps?
- b. What are the future workforce gaps and how large are they projected to be five years from now? Ten years?
- c. What, if any, additional data would MCPS need to collect and analyze to enhance its forecasts of its future workforce gaps?

### **2. The current and projected workforce gaps for MCPS, particularly among senior staff.**

For each of the past five years, MCPS has experienced an 8-10% turnover rate among administrators, teachers, and support personnel. Retirements account for less than one-third of the turnover among teachers and support personnel, but half of the turnover among administrators. Within the next decade, about half of all MCPS' current principals, central office administrators, and business and operations administrators will become eligible to retire.

OLO recommends that the Council discuss with MCPS representatives what specific workforce challenges they see now and in the future, and what specific retirement forecasts and turnover trends support this view. In particular, we suggest the following questions for discussion:

- a. What workforce gaps does MCPS project among its workforce over the next 5-10 years? In particular what workforce surpluses and deficits are anticipated?
- b. Does MCPS envision any difficulties in replacing up to half of its central office, business, and operations administrators due to retirements over the next decade?
- c. Does MCPS expect any difficulties in replacing up to 40% of its support services personnel in the next 10 years? If so, among which specific SEIU positions or related-functions?

### **3. MCPS' plans and programs to address anticipated workforce gaps.**

MCPS implements a number of leadership development strategies aimed at ensuring a highly qualified pipeline of school system leaders. These include its higher education partnerships to assist MCPS staff in earning their Administration and Supervision certifications, the Leadership Development Program for aspiring principals, and manager development/career ladders for MCPS staff aspiring to lead the school system's varying business operations.

MCPS also implements a number of knowledge management practices aimed at retaining and transferring organizational knowledge. These practices may help to offset the risk of not having an explicit succession or leadership development plan for central office administrators.

OLO recommends that the Council discuss with MCPS representatives their assessment of how well the school system's current and future plans address anticipated workforce challenges. We suggest the following questions for discussion:

- a. Which retirements does MCPS consider its highest immediate priority to address? What is the school systems current or anticipated response?
- b. How does MCPS assess the adequacy of its current array of programs to address the agency's forecasted workforce gaps?
- c. What are the potential benefits and drawbacks to developing a succession management plan for MCPS central office administrators?
- d. What succession plans does the school system have in place for key singleton positions that support business operations, such as the Director of the Department of Facilities Management?

### **DISCUSSION ISSUES FOR EXECUTIVE BRANCH SUCCESSION MANAGEMENT PRACTICES**

#### **1. The adequacy of the County Government's workforce data collection, analysis, and reporting practices.**

The County Government's Personnel Management Review (PMR) and Exit Survey documents provide valuable workforce and turnover statistics; however, these reports do not include sufficient retirement forecast data or workforce trend data. Nor does the PMR provide data disaggregated by department. As such, the current presentation of County Government workforce data does not offer a clear view of future workforce gaps, either by department or type of job/position.

OLO recommends that the Council discuss with the Chief Administrative Officer whether the County Government's current data collection, reporting, and analysis practices enable the Executive Branch to identify current and projected workforce gaps. In particular, we suggest the following questions for discussion:

- a. How does the County Government project the future staffing needs and future workforce gaps of the different departments?
- b. Where are the projected workforce gaps and how large are they projected to be, particularly for the list of relevant positions that the national Bureau of Labor Statistics has designated as hard-to-fill (e.g., correctional and police officers, firefighters, bus drivers, dispatchers, and all health care occupations)?
- c. Does the Executive Branch have any plans or suggestions for strengthening the County Government's workforce data collection and reporting efforts, especially with regard to workforce trend data, disaggregated departmental data, and retirement eligibility forecasts?

**2. The current and projected workforce challenges for the County Government, including the compilation of data used to identify these challenges.**

Within the next ten years, 37% of the current Executive Branch workforce will be eligible to retire, including 55% of current leadership employees represented by MLS and Question A administrators, and 83% of current public safety managers.

OLO recommends that the Council discuss with the Chief Administrative Officer what workforce challenges he identifies as the highest immediate priorities to address, and what specific retirement forecasts and turnover trends support this view. In particular, we suggest the following questions for discussion:

- a. Given the public safety retirement eligibility forecasts, what workforce challenges does the CAO see for the Police Department (MCPD) and Montgomery County Fire and Rescue Services (MCFRS) five years from now? Ten years?
- b. Where does the CAO see the greatest Executive Branch workforce challenges for the non-public safety departments? What are the data to support this view?
- c. For both public safety and non-public safety departments, has there been any effort to assess the likelihood of when those eligible to retire will actually retire? If so, what was learned?
- d. What are the CAO's plans to monitor retirement trends and to keep the Council informed of significant changes and challenges?

**3. The County Government's plans and programs to address anticipated workforce gaps.**

Currently, the County Government uses a leadership development program (i.e. the Manager Development Program) and a senior leadership service (i.e. the Management Leadership Service) to prepare future civilian managers and career ladders to develop future public safety managers. The County Government also has initiated a number of management projects (e.g., the ERP project, MC311), and set up the use of knowledge transfer contracts to preserve and improve key institutional knowledge and practices.

OLO recommends that the Council discuss with the CAO his assessment of how well the County Government's current and future plans will address its anticipated workforce challenges. We suggest the following questions for discussion:

- a. How does the CAO think the County Government's current array of succession programs aligns with the County Government's forecast of workforce gaps?
- b. What is the CAO's assessment of the adequacy of the public safety leadership pipelines? Of the Management Leadership Service pipeline?
- c. What additional plans exist to address succession for the knowledge positions throughout the County Government, particularly key singleton positions?

## **Chapter X: Agency Comments**

The written comments received from Montgomery County Public Schools' Chief Operating Officer on a final draft of this Office of Legislative Oversight (OLO) report are attached on page 106; and written comments from Montgomery County's Chief Administrative Officer on the final report draft are attached on page 108.

OLO's final report incorporates technical corrections and comments provided by MCPS staff and Montgomery County Government's Offices of the County Executive and Human Resources. OLO greatly appreciate the time taken by MCPS and Executive Branch staff to review our draft report and provide feedback.



September 2, 2009

Ms. Elaine Bonner-Tompkins, Senior Legislative Analyst  
Office of Legislative Oversight  
Montgomery County Council  
100 Maryland Avenue  
Rockville, Maryland 20850

Dear Ms. Bonner-Tompkins:

Thank you for providing Montgomery County Public Schools (MCPS) staff with the opportunity to review and comment on the Office of Legislative Oversight Report 2010-2 on Succession Management in MCPS and County Government. MCPS staff previously provided comments and suggestions for technical changes to you and your staff, and it is evident that much of the feedback was considered and incorporated into the final document. MCPS staff who participated in this review appreciated the collaborative process that was used by your staff. We appreciate acknowledgement of the Staff Statistical Profile data and the programs that MCPS has implemented to address anticipated workforce gaps. The information in this report will be helpful as we continue to develop processes to address succession planning in MCPS.

MCPS is developing a strategic workforce plan for all employee groups. The workforce plan for instructional positions is fairly well defined, but can be better documented. The Office of Human Resources projects teacher vacancies by analyzing hiring trends and focuses efforts on critical needs areas, such as special education, science, and mathematics. This process is essential as critical needs continue to change based on student enrollment, staff turnover, and the number of university graduates. For example, several years ago, there was a critical shortage of English for Speakers of Other Languages (ESOL) teachers. Utilization of MCPS university partnerships to train ESOL teachers has addressed this need, so this no longer is a critical hiring area.

The school-based leadership development program has been a successful mechanism for training and developing principals and assistant principals. Most school-based administrative vacancies are filled by promoting staff from within the school system. While there is not a specific leadership development program for central office administrative positions, most vacancies of central office instructional administrative positions are filled by MCPS school-based administrators.

The negotiated agreement between MCPS and the Montgomery County Association for Administrators and Principals (MCAAP) has language related to succession planning. MCPS staff and MCAAP will begin a study of succession planning this year. In addition, a group of central services administrators is developing a plan for training and development of central services administrators. The Service Employees International Union Local 500 Negotiated Agreement outlines the development of a career pathways initiative with the goal of providing a program to assist supporting service employees with individual career development planning. The team working on the career pathways design is expected to complete its work in January 2010.

Office of the Chief Operating Officer

850 Hungerford Drive, Room 149 ♦ Rockville, Maryland 20850 ♦ 301-279-3626

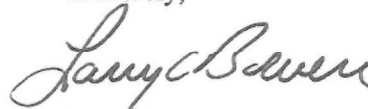
Although MCPS does not have a comprehensive workforce plan that is well documented, there are a number of systems and processes in place to address succession planning. The Executive Leadership Team and the chief operating officer and deputy superintendent leadership team meetings provide an opportunity for senior staff to analyze workforce data, make recommendations to increase the diversity of the leadership, identify training needs, and support the development of future leaders. In addition, the implementation teams of the three professional growth systems have increased mentoring opportunities for supporting services and administrative employees. The Leadership Development Advisory Committee collaborates, reviews, and makes recommendations for administrative training.

In order to support succession planning for business, financial, and support operations, MCPS' commitment to process management provides a mechanism to transfer knowledge of key work processes. Each office is working to identify and map key processes. Some offices are further along in this process than others; however, our plan is to have all processes mapped within the next two years. This will provide documentation of the duties and responsibilities for new business and support operations managers who are appointed in the future.

As with many large organizations, MCPS is challenged with replacing a large number of employees who are within five to ten years of retirement. Additionally, the need to hire school-based staff is driven by student enrollment. The combination of changes in student enrollment and identifying critical teaching and administrative areas make the analysis of workforce needs complicated. However, the analysis of staff data allows MCPS senior staff to adjust projections and put plans in place to respond to these challenges. For example, over the last two years, due to the reduced number of school-based administrative vacancies, the number of elementary and secondary interns has been reduced for the 2009–2010 school year. MCPS will continue to identify and collect workforce data and utilize the information to develop actions that support succession planning.

MCPS is committed to working with our administrative leadership and our employee unions to analyze workforce data and develop processes to address the changing workforce demands of the school system. MCPS welcomes the opportunity to discuss with the Montgomery County Council the current and future state of succession planning. Again, thank you for the opportunity to review the findings and recommendations.

Sincerely,



Larry A. Bowers  
Chief Operating Officer

LAB:vnb

Copy to:

Dr. Weast

Dr. Lacey





OFFICE OF THE COUNTY EXECUTIVE

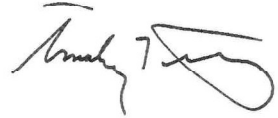
Isiah Leggett  
*County Executive*

Timothy L. Firestine  
*Chief Administrative Officer*

MEMORANDUM

September 9, 2009

TO: Elaine Bonner Tompkins, Senior Legislative Analyst  
Sue Richards, Senior Legislative Analyst  
Kristen Latham, Legislative Analyst  
Office of Legislative Oversight

FROM: Timothy L. Firestine, Chief Administrative Officer 

SUBJECT: DRAFT OLO Report 2010-2: Succession Management in Montgomery  
County Public Schools and County Government

Thank you for the opportunity to review and provide feedback on the Draft Succession Management report. My office and the Office of Human Resources have reviewed the draft report. We find the document to be very comprehensive and it does a good job of explaining the problem and issues. The one item not addressed in the report is the impact of hiring freezes, Reduction in Force (RIF) and job reductions on succession management. It is my understanding that the Office of Human Resources has already provided input on the technical aspect of report. If you have any specific questions or need additional clarification, please contact Karen Plucinski at 240-773-3386.

cc: Fariba Kassiri, ACAO, Office of County Executive  
Joseph Adler, Director, Office of Human Resources  
Kathleen Boucher, ACAO, Office of County Executive

**APPENDIX: Montgomery County Departments Included In Montgomery County  
Workforce Data**

Included	Not Included
<p>Commission for Women Community Use Public Facilities Consumer Protection Correction &amp; Rehabilitation County Attorney County Executive Economic Development Emergency Management &amp; Homeland Security Environmental Protection Ethics Commission Finance Fire/Rescue Services General Services Health &amp; Human Services Housing &amp; Community Affairs Human Resources Human Rights Intergovernmental Relations Libraries Liquor Control Management &amp; Budget Permitting Services Police Procurement Public Information Recreation Regional Services Centers Supervisors of Elections Technology Services Transportation</p>	<p>Board of Appeals Circuit Court County Council County Sheriff Credit Union Inspector General Investment Trustees Legislative Oversight License Commissioners Merit System Protection People's Counsel State's Attorney Zoning &amp; Administrative Hearings</p>

### Appendix: Summary of Separation Reasons for Montgomery County Government

In the OHR Exit Surveys, the County identifies numerous reasons for employee separation. For purposes in OLO Report 2010-2, OLO combined listed separations by the following categories.

Grouped Separation Reason in OLO Report	Types of Separations Included from OHR Exit Survey
Voluntary Retirement	Normal Retirement Early Retirement Retirement – Service Discontinued Non-Service Connect Disability Retirement Retirement – Non-Service Discontinued
Voluntary Other	Personal Reasons Relocation Out of Area Better Compensation/Benefits Family Responsibilities Closer to Home or Easier Commute Quit Without Notice Return to School Health Reasons Better Working Conditions Military Obligation More Flexibility in Work Schedule LOA Expiration Resigned Transportation Issues
Involuntary	Failed Probation Abandonment Misconduct LWOP-Expiration Did Not Return Excessive Absence RIF End of Term Appointment Unsatisfactory Performance Failure to Maintain License
Other	Other

# **AARP Workforce Assessment Summary Report**

Prepared for

## **Office of Human Resources**

December 12, 2008

For more information, visit [www.aarp.org/employerresourcecenter](http://www.aarp.org/employerresourcecenter),  
or email [workforceassessment@aarp.org](mailto:workforceassessment@aarp.org).



## Workforce Assessment Report

The following report provides a summary of your aging workforce demographics, current workplace practices, potential challenges, and projected hiring needs. The information provided here can serve as the foundation for developing your short and long-term staffing strategies. This report should be an evolving document, constantly updated as more information is available and as your staffing strategies are developed and implemented.

Your first step is to create internal awareness of any current skill shortages and potential challenges as a result of aging workforce trends in your organization. Circulate this report and its recommendations among your leadership and management to initiate your workforce planning discussions and strategies. While these summaries and projections are approximations, you should focus on patterns versus exact numbers.

### Table of Contents

- Summary of Priority Concerns
- Understanding your Employee Age Demographics
- Skill Shortages
- Knowledge Retention
- Flexible Work Arrangements
- Training and Development Opportunities
- Benefits: Health and Financial
- Workplace Accommodations
- Positive Work Environment
- Recruitment
- Leveraging Your Organization's Strengths
- Workplace Strengths Inventory
- Resources

## Summary of Priority Concerns

Each section of the Workforce Assessment Tool that you completed provided a summary question that asked how important each section was in regards to your company's staffing needs. As you review the results of your assessment, determine whether your current workplace practices align to address those factors that you have identified as a priority.

A summary of your responses are listed below.

	Top Priority	Important	Not Important at this time	Don't Know-Need to investigate further
Assessing the impact of an aging workforce on your organization	✓			
Addressing potential skill shortages in key function areas	✓			
Evaluating and modifying your training and development programs	✓			
Addressing workplace accommodations		✓		
Enhancing age diversity initiatives	✓			
Re-evaluating and building new recruitment strategies	✓			

You have identified the following issue areas as priorities for your organization.

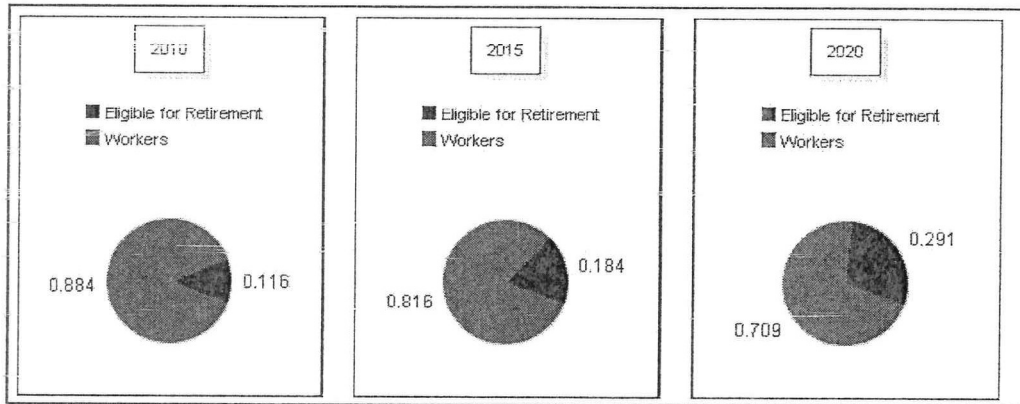
- Assessing the impact of an aging workforce on your organization
- Addressing potential skill shortages in key function areas
- Evaluating and modifying your training and development programs
- Addressing workplace accommodations
- Enhancing age diversity initiatives
- Re-evaluating and building new recruitment strategies

This report will provide some baseline information that you can use to facilitate a discussion with key leadership on your current strengths and weaknesses in these areas.

## Understanding your Employee Age Demographics

The average age of your employee is 48 and the average age of retirement for your employee is 64. While the following projections do not account for growth in your staff and general turnover, the charts provide a general representation of the retirement levels for your current employees.

39 & Under		40-44		45-49		50-54		55-59		60+		Totals	
#	%	#	%	#	%	#	%	#	%	#	%	#	%
5972	41.3	1644	11.4	1742	12	1784	12.3	1316	9.1	2019	13.9	14477	100



(Retirement age = 63.6)

### Action Steps:

Review the charts to determine whether your organization will have staffing challenges based on your current employee demographics. Your organizational leadership and management should be engaged in discussion to address whether your current aging workforce projections pose a significant challenge to your organization. While employee age demographics alone do not provide a complete picture of your staffing needs, the charts can help determine how aggressive your organization should be in solving for its future staffing needs.

## Skill Shortages

The following chart ranks your key functions in one of three ways:

- Systemic Impact: A shortage in this function affects all functions.
- Significant Impact: A shortage in this function affects select functions.
- Localized Impact: A shortage in this function does not affect other functions.

The chart also provides the corresponding retirement rates (based on the average retirement age of your employee) per your key functions

Key Functions	Impact of Shortages: Systemic, Significant, and Localized	Projected Retirement Rate 2010		Projected Retirement Rate 2015		Projected Retirement Rate 2020	
		#	%	#	%	#	%
Technical	Systemic	107.1	7	215.9	14	438.7	29
Professional	Systemic	1388	13	2041.2	20	2921.9	28
Management Leadership Service (MLS)	Systemic	78.9	10	138.2	17	251.8	32
Supervision	Significant	14.1	4	34.7	9	82	21
Clerical	Localized	126.2	9	226.6	16	445.6	31

### Action Steps:

Review your Skill Shortages Chart to identify which key function shortages would pose the greatest challenge to your organization. Also, review the key functions corresponding retirement averages to determine staffing challenges based on your long-term projections. Your organizational leadership and management should address the following questions based on this information:

- Do any projected skill shortages pose a significant challenge to your organization?
- How prepared is your organization to address these challenges?
- What key functions pose the greatest challenge?
- Are individuals responsible for key relationships or operating procedures projected to retire?
- Are your managers and leadership positioned to effectively manage your talent and internal expertise to adequately address these challenges?

The following assessments of your current workplace practices will help determine your organizational readiness to address the potential impact of an aging workforce on your organization.



## Knowledge Retention

### Action Steps:

- Identify the history, relationships and tacit knowledge that are critical to each of your key functions. Assess whether your current knowledge retention efforts capture this information.
- Position one staff member as the person accountable for your knowledge retention process, including the identification of knowledge holders in each key function.
- Begin with your most critical need and develop a model to retain knowledge that can be replicated for your remaining functions.
- Consider cross-training, mentoring, surveys, development of standard operating procedures, and exit interviews as part of your knowledge retention strategy.
- Use multi-tiered outside relationships; in other words, make sure that multiple people in your organization relate to each major customer and other important contacts, so that if one person leaves there are others who can manage the relationship.

## Flexible Work Arrangements

It is important to create, review and adapt flexible work arrangements to meet your changing staffing needs. Increasingly, workers of all ages are expressing a desire for a flexible workplace. In a recent AARP survey, more than seven in ten older workers indicated that having a flexible work schedule would be an essential part of their ideal job, and half would like the opportunity to work part-time. Companies that provide a variety of flexible work arrangements will gain a competitive edge in the war for talent. Each flexible work arrangement should be evaluated from the standpoint of both productivity and the ability to recruit and retain your desired talent.

Your organization currently engages in the following flexible work arrangements:

- Part time opportunities
- Telecommuting
- Flextime
- Compressed work schedules
- Paid time off for caregiving
- Job sharing
- Seasonal or temporary assignments
- Phased retirement arrangements

### Action Steps:

Leadership and management should be engaged to review your current staffing models and assess whether they will meet your short- and long-term staffing needs.

- Learn workplace preferences of your employees through interviews and/or employee opinion surveys.
- Analyze the flexible work arrangements you currently offer. Are the arrangements and job options meeting the needs of your employees and your organization? Do they allow you to be competitive with other employers in recruitment and retention?
- Tailor flexible work options to the needs and issues unique to your organization.
- Identify barriers that prevent your organization from offering flexible work options.
- Consider a pilot program to test new work options (such as telecommuting, job sharing, flextime, etc.).
- Review your methods for making employees aware of your flexible work options. How is this information published and promoted?
- With input from management, provide training on managing employees with flexible work schedules.

## Training and Development Opportunities

The talent needs of your organization will evolve and change over time. A training program can take time to mature and produce the desired talent or skill set needed. Employers that leverage and strengthen the skills of their current employees will be better prepared to meet their short and long term talent needs. One way to keep experienced staff on the job is to give them the opportunity to move into new roles and learn new skills.

Your organization currently provides the following training and development opportunities:

- Management Training
- Professional and Technical Skills Training
- Computer and Software Training
- Peer training, mentoring, and job coaching
- Basic Skills Training
- Sabbaticals
- Tuition Reimbursement
- Cross-Training
- External seminars and conferences

Implementing or expanding a training program may require some investment on the part of your organization and desired results may take time to mature, but the outcome can be beneficial.

### Action Steps:

- Based on your staffing projections, determine if your current training program meets your short and long-term business needs.
- Review jobs to determine where redesign might be appropriate.
- Ensure that training opportunities are made available to and being used by all employees, regardless of their career stage and/or age.
- Evaluate participation rates and outcomes of training; adjust training accordingly.
- Identify incentives that can be implemented to increase participation in your training programs.
- Use employee feedback (such as surveys or focus groups) to determine the type and format of training needed.
- Develop a strategy to target and engage 50+ workers for training opportunities.
- Provide inter-departmental mobility.
- Identify and address any barriers that prevent employees from accessing training opportunities.
- Reward managers based on appropriate use of training by employees reporting to them. Include training and development of their team as part of their yearly evaluation.

## **Benefits: Health and Financial**

Money and health benefits continue to be the top two reasons, across all generations, for someone to remain in or leave their place of employment. As a result of the aging workforce and resulting skill shortages, some companies are competing for talent with industries that historically did not draw from the same talent pool. Offering a comprehensive health and retirement benefits package appropriate to the industry and job is extremely important in the competition for talent.

Your organization currently provides the following health and financial benefits for full time workers:

- Health insurance
- Dental and vision insurance
- Prescription drug coverage
- Flexible spending accounts
- Long-term care insurance
- Short and long-term disability
- Competitive salary
- Defined-benefit pension plan
- Defined contribution plan
- Automatic enrollment in defined contribution plan
- Cash-balance plan or other hybrid
- Stock options, profit sharing or similar plan
- Financial/retirement education and planning
- Wellness programs

Your organization currently provides the following health and financial benefits for part time workers:

- Health insurance
- Dental and vision insurance
- Prescription drug coverage
- Flexible spending accounts
- Long-term care insurance
- Short and long-term disability
- Competitive salary
- Defined-benefit pension plan
- Defined contribution plan
- Automatic enrollment in defined contribution plan
- Cash-balance plan or other hybrid
- Stock options, profit sharing or similar plan
- Financial/retirement education and planning
- Wellness programs

Workers are looking for pay that reflects their experience and years on the job. When it comes to benefits, experienced employees are looking for benefits that address their stage of life. Mature workers want to have the option to reduce their hours while maintaining the benefits that they would typically have as full-time workers. Making a comprehensive benefits package available to full- and part-time workers positions an employer ahead in the competition for talent. It is important to communicate the value of your benefits package to your employees. Don't assume that your employees are informed about all available benefits or their value; let them know that your benefits are competitive compared to other organizations in your industry.

## Workplace Accommodations

Workplace enhancements include accommodations that permit employees to perform their job responsibilities in a more productive and safe manner. Equipment and work tools, as well as policies and procedures, should be designed with the safety and productivity of the employee in mind. Organizations that survey and respond to the business needs of its employees are better positioned to retain and attract top talent.

Your organization currently examines workers compensation claims to determine how to enhance the safety and productivity of your workplace. Workers' compensation claims can help identify problem areas that compromise an employee's ability to perform his or her job effectively and safely. Your use of an ergonomics expert helps identify potential problem areas and enhance workplace safety and productivity. Evaluations should be conducted on an ongoing basis and with changes in the workplace.

Your organization has already made the following workplace accommodation(s):

- Provided equipment or technology to assist workers with vision or hearing impairments
- Redesigned jobs or adapted equipment to reduce physical strain
- Installed access ramps and/or elevators
- Made case-by-case workplace modifications to address individual needs or disabilities

Allowing workers a voice in the design of equipment and work tools can improve workplace productivity and morale. Your organization currently examines feedback from your employees on their workplace needs which puts you ahead of the curve in relation to other employers. It is important that the examination of this feedback is part of an ongoing process to continue to meet the needs of your employees and your bottom-line.

### Action Steps:

- Identify and empower one person to be responsible for managing workplace accommodation efforts. Depending on the size of your organization, your organization may want to have a person for each key function.
- Identify work tasks that can be made less physically challenging and easier to perform through equipment upgrades or job redesign.
- Formalize an annual or biannual review process of the workplace needs of your employees, incorporating feedback from your employees, workers' compensation claims, and ergonomic experts.
- Once a workplace need has been identified and addressed, evaluate your workplace solution to ensure that it meets your business needs and the needs of your employee.
- Require management to regularly monitor productivity and workplace design.

## Positive Work Environment

Managers who create an inviting and exciting workplace for all ages will recruit and retain the best talent. While recent research shows that employees age 50+ have been found to be most loyal, productive, motivated, and skilled of any age group, myths and stereotypes are still pervasive in the workplace. Employers should strive for a culture of inclusion, where all age groups are valued in the workplace. An "age-neutral" workplace supports real communication and understanding across all age groups, and builds on the unique values and strengths of each generation.

Your current efforts to create a positive, age-neutral work environment include:

- Educating managers and staff on myths and stereotypes of older workers
- Educating managers and human resource staff on fair hiring and age discrimination issues
- Incorporating age diversity in your workforce, staff teams, and committees
- Educating managers and staff on how to communicate and work effectively in an intergenerational workplace
- Conducting periodic reviews of organizational policies and practices as they relate to older workers
- Providing recognition and/or rewards for long-service workers
- Conducting employee surveys to provide opportunities for feedback on work environment and needs
- Using newsletters or other communication vehicles to inform your employees about workplace changes, events, and policies

With more than half of the US workforce now covered by the Age Discrimination and Employment Act, it is a business imperative to both ensure fair practices in the workplace and create a management team that can lead by example on the value of workers of all ages.

### Action Steps:

Leadership and management should review factors that contribute to a positive, age-neutral work environment.

- Identify a staff person responsible for creating the policies and programs that foster a positive, age-neutral work environment.
- Define the desired culture and compare it to the existing culture to see if there is a need for change.
- Ensure leadership and management lead by example, demonstrating the characteristics of the desired culture.
- Use employee opinion surveys and employee/manager feedback to determine what is working well for older workers and workers of all ages.
- Ensure that print and collateral materials reflect an age diverse population.
- Incorporate age diversity into your workplace diversity efforts, including training on the myths and stereotypes of older workers as well as the attributes of a multi-generational workplace.
- Provide your managers and supervisors training on fair hiring and age discrimination law.
- Evaluate your diversity efforts on an annual or biannual basis. Your evaluation should include examining the diversity of your teams, committees, employees and management, as well as incorporating the feedback from employee opinion surveys.

## Recruitment

With the impending retirement of experienced workers, many employers face labor and skill shortages and greater competition for talent. At the same time, growing numbers of workers age 50+ are looking to extend their careers but by working in new capacities and with non-traditional hours. The question then is will they work for you. Employers that provide good benefits, compensation, meaningful work, flexible work arrangements, and new learning opportunities will appeal to workers of all ages. Recruitment messages geared to mature workers will attract talent across the age spectrum but you may not reach experienced workers in traditional channels.

Your organization's current recruitment efforts include

- On-line job boards or search services (e.g. Monster, Hot Jobs, CareerBuilder, etc.)
- Job fairs
- Federal or state government services
- Newspaper and other print classified ads
- Employee Referrals

Currently your organization also engages in targeted recruitment of 50+ workers through the following

- Senior employment agencies and/or community partnerships
- Senior job fairs
- Advertise in publications targeting 50+ audiences
- On-line job boards specific to 50+ audiences
- Recruitment materials(e.g. brochures, ads, your website, etc.) that incorporate images, photos and text that reflect and appeal to workers age 50+

One source for experienced workers that is often overlooked is an organization's own pool of retirees. Many companies are turning to their retirees to fill key positions or assist with important job projects since they have the desired skill sets and knowledge of company operations.

While you currently engage your retirees, your organization should consider establishing a formal program to rehire your retirees. A formal retiree rehiring program can strengthen your organization's recruitment and knowledge retention efforts. Establishing a program that maintains communication with your retirees and offers work opportunities opens a channel for experienced workers to meet your ongoing business needs.

### Action Steps:

- Review and evaluate your current recruitment practices to determine if they are meeting your staffing needs
- Review your organization's job offerings to determine if they appeal to and meet the needs of workers 50+.
- Audit your recruitment materials to ensure that images and language are age-friendly.
- Create an employee brand that appeals to 50+ workers. A Workplace Strengths Inventory is provided at the end of this report to help in the marketing and targeting of recruitment of 50+ workers.
- Identify and empower a staff person with the responsibility of keeping your retirees engaged.
- Create a retiree association and provide ongoing communication including opportunities for contractual, part- or full-time work, and seasonal or project-based work.
- Evaluate your recruitment and retiree relations on an annual basis to ensure your programs are meeting your organization's needs.



## Leveraging Your Organization's Strengths

Your organization may be a terrific place to work, but unless you convey this key message to the individuals you wish to attract, you're missing out on an opportunity to attract new talent. Marketing the practices that make your business a great place to work - some companies refer to these attributes as their "employer brand" - should be an integral part of your recruitment strategy.

The ability to draw on top talent in a competitive business environment requires that you make your organization stand out. A workplace that is age-diverse, provides good health and retirement benefits, and offers flexible work arrangements attract job seekers of all ages who are "comparison shopping" among other desirable companies. What attributes in your organization can you "sell" to get the talent you need?

The Workplace Strengths Inventory identifies attributes and practices that are attractive to workers 50+. These attributes and practices are captured in five separate categories: age diversity and fairness, flexible work arrangements, good benefits, positive environment, and on-going training and development. The practices and benefits reported in each of these areas should be viewed as collateral that can help you attract the talent you need. Review the inventory of practices that you currently have in place. What are they? Do you have one or two strengths represented in all categories or are all your assets lumped in one area?

Organizations that have strengths in all categories are strongly positioned as a desirable workplace for workers 50+. If your organization excels in one category but falls short in many others, what can you do to fill the gaps? What weaknesses highlighted in the inventory should your organization prioritize above others? Overtime, with careful planning, you can improve upon your organization's practices so that strengths are represented in all categories.

Don't rely on the findings of the Workforce Strengths Inventory alone. Nothing sells your organization like the stories of engaged workers who take pride in where they work. Asking your current employees what they like and value about their jobs through periodic surveys can help create a consistent image to be shared with the wider public. Ask employees to rate available workplace benefits and programs that can be aligned with your efforts to promote your company as a place that welcomes workers 50+.

A well-thought-out employer image can breathe new life into your recruitment strategy - and it's a valuable retention tool. You'll be more successful in motivating new talent to join you, and you'll be better able to retain the valuable talent you already have on board.



## Workplace Strengths Inventory

Principle	Practice	Exists	Priority Areas
Age Diversity and Fairness	Education of managers, supervisors and interviewers on fair hiring and age discrimination issues	✓	
	Incorporate age neutral and/or images of mature workers in recruitment materials	✓	
	Strategic inclusion of age diversity in workforce, staff teams, and committees	✓	
	Age Diversity training for managers and staff	✓	
	Periodical review of organizational policies and practices as they relate to older workers	✓	
Flexible Work Arrangements	Part time opportunities	✓	
	Temporary/seasonal work	✓	
	Flex-time	✓	
	Phased retirement(w/benefits)	✓	
	Job sharing	✓	
	Telecommuting	✓	
	Compressed work weeks	✓	
	Rehiring of retirees		
Good Benefits	Health Insurance	✓	
	Health Insurance for part time employees	✓	
	Dental and vision insurance	✓	
	Short and long-term disability	✓	
	Long-term care insurance	✓	
	Competitive salary	✓	
	Defined benefit pension plan	✓	
	Defined contribution plan	✓	
	Automatic enrollment in defined contribution plan	✓	
	Financial benefits for part-time employees	✓	
	Flexible spending accounts	✓	
	Paid time off for caregiving	✓	
	Wellness programs	✓	
	Eldercare referral and support		
Positive Environment	Training on intergenerational workplace for managers and workers	✓	
	Equipment or technology to assist workers with vision or hearing impairments	✓	
	Recognition for years of service and accomplishments	✓	
	Ergonomic assessments of furnishings and equipment	✓	
	Redesign to limit physical strain and lifting	✓	
	Case-by-case modifications as needed	✓	
	Employee opinion surveys that provide opportunities for feedback on work environment and needs	✓	
	Newsletter and other communication vehicles to inform employees	✓	
On-going Training and Development	Job coaching, peer training and mentoring	✓	
	Financial/ retirement education and planning	✓	
	Computer/technical training	✓	
	Tuition reimbursement	✓	
	Sabbaticals for long-term staff	✓	
	Cross training	✓	



## Resources

### AARP Best Employers for Workers Over 50

This annual award honors companies and organizations with exemplary policies and practices to hire, retain, and promote the value of workers 50+. See website for requirements and application deadlines.  
<http://www.aarp.org/bestemployers>

### AARP Employer Resource Center

An online clearinghouse including information on employer best practices, research on human resource issues, and news to help employers manage an aging workforce.  
<http://www.aarp.org/employerresourcecenter>

#### Some highlights:

- Benefits  
<http://www.aarp.org/money/careers/employerresourcecenter/benefits/>
- Free Publications for Employers  
[http://www.aarp.org/money/careers/employerresourcecenter/trends/erc\\_order\\_form.html](http://www.aarp.org/money/careers/employerresourcecenter/trends/erc_order_form.html)
- Recruitment  
<http://www.aarp.org/money/careers/employerresourcecenter/recruitment/>
- Retention Strategies  
<http://www.aarp.org/money/careers/employerresourcecenter/retention/>
- Workforce Trends  
<http://www.aarp.org/money/careers/employerresourcecenter/trends/>
- Workplace Law  
<http://www.aarp.org/money/careers/employerresourcecenter/law/>

### AARP SmartBrief

Free, bi-weekly e-newsletter for employers on aging workforce issues including current news, research, legal and regulatory developments, industry and workplace trends, and related employer best practices. Sign up at AARP's Employer Resource Center.  
<http://www.smartbrief.com/aarp/?campaign=AARP&Headlines&SignupLink>

### AgeSource Worldwide

Stay current on international resources and information on a number of topics including employment and retirement issues. Search by topics including age discrimination, older worker employment, pensions, and retirement.  
<http://www.aarp.org/research/agesource/>

### Benefits Checkup

Direct your employees to this site to learn if they or their family members are eligible for federal, state, and private programs that help with prescription drugs, health care, utilities, and other essential services.  
<http://www.benefitscheckup.org>

### Consumer Protection

Tips on how to help your employees protect themselves from financial fraud and how to be a wise consumer.  
[http://www.aarp.org/money/wise\\_consumer](http://www.aarp.org/money/wise_consumer)

### Eldercare and Caregiving

Refer your employees to information on all aspects of caregiving, from balancing work and family responsibilities to long-distance caregiving and locating community services that will help.  
<http://www.aarp.org/life/caregiving>

### Money Management

Information and resources for your employees in making informed decisions on financial security, retirement planning, and more.

<http://www.aarp.org/money>

### **Physical Activity**

Healthy tips for your employees on exercise, training, eating right, and personal care.

<http://www.aarp.org/health/fitness>

Provides businesses with a way to estimate the financial costs of physically inactive employees and gives information on how to reallocate existing financial resources to support physical activity.

<http://www.aarp.org/health/fitness/leaders>

### **Work and the Social Security Earnings Limit**

Some of your employees or job applicants may want to know if they can work and receive Social Security. Provide those answers to this and other questions about earnings and Social Security.

[http://http://www.aarp.org/money/careers/findingajob/readytosearch/ss\\_earnings\\_limit\\_faq.html](http://http://www.aarp.org/money/careers/findingajob/readytosearch/ss_earnings_limit_faq.html)

Thank you for taking time to complete AARP's Workforce Readiness Assessment Tool. Remember, AARP will contact you in three months by e-mail with a brief follow-up survey. This survey will assist in helping you gauge how well your organization is progressing in addressing your challenges and business needs.




OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MD 20850

Isiah Leggett  
County Executive

MEMORANDUM

June 18, 2007

TO: Executive Branch Directors  
FROM: Isiah Leggett, County Executive   
SUBJECT: Enterprise System Planning (ERP) Project

Montgomery County is beginning an initiative that will enhance decision making and operating efficiency throughout our organization. The project is known as Enterprise Resource Planning, or ERP, and is an important initiative by which Montgomery County will fulfill my vision of becoming a more responsive government that provides superior services to our residents. Through the re-engineering of processes to reflect best business practices, and the integration of data into more useful information, we will transform our organization, infusing a culture of continuous improvement – an organization that not only does things right, but does the right things.

***Transforming the way Montgomery County serves its residents and customers by setting new standards for how government operates*** is the vision that drives this ERP initiative, which will be known here as *eMC<sup>2</sup>*. This stands for “***The enterprise-wide technology solution for Montgomery County and its Citizens***” and will have lasting benefits for Montgomery County and its constituents.

The project will begin with an evaluation of what we are currently doing to determine the best, most efficient and streamlined ways to provide services to our customers, both external and internal. We will support these new business processes with a replacement of our current core business systems, as well as most “side” systems developed over the years to report and analyze data, and eventually provide for the sharing of information and integration of resources across County functions. Once the first wave of this effort is completed, the County will enjoy state-of-the-art support for its financial, budgeting, procurement, human resources and payroll functions, and have a single, integrated base of data from which to launch further customer service and system enhancement efforts. As a result of this implementation, County residents will enjoy enhanced services and greater transparency of government.

Your participation in the various phases of this project will be vital to its success. We will need to include critical stakeholders from the beginning to ensure that all opportunities for improved government are captured. Attachment 1 of this memorandum provides you with a framework of near term activities that may require participation from various members of your staff. As the project progresses toward implementation, ERP will likely be the primary focus of such staff.

This project is being sponsored by Tim Firestine, Chief Administrative Officer, with the assistance of a Steering Committee whose members include the Directors of Finance, Procurement, Human Resources, Management and Budget, and Technology Services. The Government Finance Officers Association (GFOA) will provide consulting services to assist the County in the system and integrator selection process. The systems integrator will be an organization selected based on its technical and management experience in implementing these major systems. To date, the Steering Committee has completed initial planning tasks, which include developing a project plan, developing a strategic vision for the system and working with GFOA consultants to develop a selection process that emphasizes stakeholder participation and public sector best practices.

The ERP software and integrator selection process is expected to last approximately one year. The first set of major activities in this process that will require involvement of selected members of your staff will take place in late June/early July, 2007. They include:

- A County-wide project kick-off presentation (scheduled for June 25);
- "101" training sessions on ERP (scheduled for June 25, 26 and 27); and
- The start of business process mapping. A business process map is a graphic representation of how we do what we do, i.e., the successive steps taken to achieve an outcome. Attachment 2 provides examples of the types and detail level of business processes which will be initially mapped for purposes of ERP software selection.
- Functional requirements development or the *outcomes* required from an ERP solution.

Again, we will need the participation of critical stakeholders across County departments. A targeted email invitation will be sent for the County-wide project kick-off presentation and the ERP 101 workshops. For ***business process mapping*** and ***functional requirements development***, please provide the name(s) of the staff members who will participate in these sessions by June 27 to Wayne Johnson at [wayne.johnson@montgomerycountymd.gov](mailto:wayne.johnson@montgomerycountymd.gov). The people you select will need to serve as "subject matter experts" on this project and be the "champions" that will help ensure success. The sessions will be scheduled after the July 4th holiday. If you have any questions, please feel free to call Wayne at 240-777-8881.

Thank you for your cooperation and contribution to this important and exciting project.

Attachments

cc: Marilyn J. Praisner, Council President  
Duchy Trachtenberg, Chair, Management and Fiscal Policy Committee

Attachment 1

**UPCOMING ERP PROJECT ACTIVITIES**

<b>ACTIVITY</b>	<b>RECOMMENDED PARTICIPANTS</b>
Project Kick-Off Presentation	Department Directors and MLS employees
ERP 101 Sessions	Employees involved in the types of processes listed in Attachment 2, especially Subject Matter Experts (SME's) in those processes
Business Process Mapping	Subject matter experts (SME's) from your department for the types of processes listed in Attachment 2
Functional Requirements Mapping	Subject matter experts (SME's) participating in the business process mapping exercise as well as other subject matter experts with detailed knowledge of outcomes required from specific functions in your area

## BUSINESS PROCESS INVENTORY

<b>Financials and Budgets</b>	
Accounts Payable	<input type="checkbox"/> Invoice to Payment Process <input type="checkbox"/> 1099 Process (Tracking to Reporting)
Accounts Receivable	<input type="checkbox"/> Invoice to Receipt Process <input type="checkbox"/> Dunning Process <input type="checkbox"/> Cashiering Process
Budgeting	<input type="checkbox"/> Operating Budget Preparation Process <input type="checkbox"/> Capital Budget Preparation Process <input type="checkbox"/> Approved Operating Budget Changes and Tracking Process <input type="checkbox"/> Approved Capital Budget Changes and Tracking Process
Fixed Assets	<input type="checkbox"/> Acquisition Process <input type="checkbox"/> Tracking/Inventory Process <input type="checkbox"/> Retirement Process
General Ledger	<input type="checkbox"/> Period End Closing Process <input type="checkbox"/> Year-End Closing Process <input type="checkbox"/> CAFR Reporting Process
Grants	<input type="checkbox"/> Grant Project Set-Up Process <input type="checkbox"/> Grant Billing Process <input type="checkbox"/> Grant Reporting Process <input type="checkbox"/> Indirect Cost Allocation Process
Projects	<input type="checkbox"/> Project Set-Up Process <input type="checkbox"/> Project Tracking Process <input type="checkbox"/> Indirect Cost Allocation Process
<b>Operations</b>	
Inventory	<input type="checkbox"/> Receiving Process <input type="checkbox"/> Issuance Process <input type="checkbox"/> Physical Count Process
Purchasing	<input type="checkbox"/> Requisition to Purchase Order Process (All Purchasing Thresholds) <input type="checkbox"/> Receiving Process <input type="checkbox"/> Bidding Process (All Purchasing Thresholds)
Work Orders	<input type="checkbox"/> Work Order Request Issuance to Closing Process



Attachment 2 (cont.)

<b>Human Resources</b>	
Workforce Planning	<input type="checkbox"/> Application Process <input type="checkbox"/> Selection Process <input type="checkbox"/> Hiring Process <input type="checkbox"/> Transfer, Promotion, Separation Processes <input type="checkbox"/> Training/Development Process <input type="checkbox"/> Performance Management Process
Total Rewards	<input type="checkbox"/> Benefit Enrollment Process <input type="checkbox"/> Benefits Change Process <input type="checkbox"/> Benefit Eligibility Maintenance Process <input type="checkbox"/> Benefit Payment Process <input type="checkbox"/> Classification Process <input type="checkbox"/> Compensation/Salary Equity Administration Process <input type="checkbox"/> Gain Sharing Process
Employee Relations	<input type="checkbox"/> Dispute and Discipline Process <input type="checkbox"/> EEO Investigation Process <input type="checkbox"/> Labor Negotiation Process
HR Administration	<input type="checkbox"/> Record Maintenance Processes
Occupational Medical	<input type="checkbox"/> Fitness for Duty Process <input type="checkbox"/> Accommodation Process
<b>Payroll</b>	
Time and Attendance	<input type="checkbox"/> Time Entry Process
Payroll	<input type="checkbox"/> Time Processing to Employee Check Process <input type="checkbox"/> Off-Cycle Pay Process <input type="checkbox"/> W-2 Process
<b>Other Considerations</b>	
Interfaces and Data Transfers	
Security	
Reporting and Data Warehousing	

TABLE 1: INVENTORY OF THE COUNTY GOVERNMENT'S STRATEGIC PLANS BY SERVICE AREA

SERVICE AREA	#	PLAN TITLE	DEPARTMENT	DATE
CULTURE AND RECREATION	1	Public Libraries Strategic Plan	MCPL	2001
	2	Public Libraries Strategic Facilities Plan	MCPL	1997
	3	Aquatic Facility Plan	DOR	1997
	4	Recreation Facility Development Plan	DOR	1997
	5	Community Use of Public Facilities	CUPF	1998
ENVIRONMENT	6	Countywide Stream Protection Strategy	DEP	1998
	7	Annual Report NPDES Municipal Separate Storm Sewer System Permit	DEP	2003
	8	Forest Preservation Strategy	DEP	2000
	9	Environmental Assessment	DEP	2000
	10	Groundwater Protection Strategy	DEP	2001
	11	Energy Policy	DEP	2000
	12	Ten-Year Comprehensive Water Supply and Sewerage Systems Plan	DEP	2003
GENERAL GOV'T (TECHNOLOGY, BUDGET, AND OHR)	13	Office of Human Resources - Programs, Strategies, and Future Initiatives	OHR	2002
	14	Horizon 21, Information Technology Strategic Plan 1998	DTS	1998
	15	Horizon 21, Information Technology Strategic Plan 1999	DTS	1999
	16	Fiscal Planning: A Framework for Public Debate: FY 94 - 99	OMB	1993
	17	Fiscal Planning: A Framework for Public Dialogue FY 95 - 00	OMB	1994
	18	Update of Fiscal Projections FY 96 - 01	OMB	1995
	19	Fiscal Projections FY 97 - 02	OMB	1996
	20	Fiscal Projections FY 98 - 03	OMB	1996
	21	County Executive's Recommended Fiscal Plan FY 99 - 04	OMB	1998
	22	Looking Ahead Fiscally: FY 00 - 05	OMB	1999
	23	FY 01 - 06 Fiscal Plan	OMB	2000
	24	FY 02 - 07 Fiscal Plan	OMB	2001
	25	FY 03 - 08 Fiscal Plan	OMB	2002
	26	Countywide Strategic Facility Plan: Rockville Core Report	DPWT	2003
	27	Regional Services Centers Draft Facilities Strategic Plan	RSC	1995

**TABLE 1: INVENTORY OF THE COUNTY GOVERNMENT STRATEGIC PLANS BY SERVICE AREA (CONTINUED)**

SERVICE AREA	#	PLAN TITLE	DEPARTMENT	DATE
HEALTH AND HUMAN SERVICES	28	Partnerships for People: A Plan for the Future	DHHS	1999
	29	Accountability Strategic Plan	DHHS	2000
	30	Strategic Plan Child Welfare Services	DHHS	2002
	31	Improving the Health of Our Community	DHHS	N/A
	32	Framework for Effective Welfare Reform in Montgomery County	DHHS	1996
	33	A Strategic Plan for Mental Health Services	DHHS	2002
	34	Linkages to Learning Six Year Plan	DHHS	1999
	35	Montgomery County Early Childhood Initiative: Comprehensive Plan	DHHS	2000
	36	The Senior Initiative	DHHS	2001
	37	Charting the Right Course for the First Five Years: Report and Recommendations of the Early Childhood Task Force	DHHS	1998
	38	DHHS Facilities Analysis	DHHS	1996
	39	The Montgomery County Comprehensive Strategy: A Juvenile Justice Plan	DHHS	1994
HOUSING AND DEVELOPMENT	40	Montgomery County – The Place to Call Home	DHCA	2001
	41	Montgomery County Site Review for Technology Development	DED	2001
	42	Montgomery County: The IDEALocation, Strategic Plan for Our Community's Quality of Life and Economic Development	DED	2002
PUBLIC SAFETY	43	Police Strategic Implementation Plan	MCPD	2001
	44	Police Facilities Master Plan	MCPD	1997
	45	Fire, Rescue, and Emergency Medical Services Master Plan	DFRS	1994
	46	Countywide Strategic Facility Plan: Circuit Court Report	DPWT	2002
PUBLIC WORKS AND TRANSPORTATION	47	Strategic Transit Plan	DPWT	1997
	48	The Division of Highway Services Strategic Plan Draft	DPWT	2001
	49	Division of Public Works Strategic Plan	DPWT	1994
	50	A Plan Update to Achieve 50 Percent Recycling	DPWT	2003
	51	Commuter Service Section Strategic Plan	DPWT	1999
	52	Advanced Transportation Management System (ATMS) Strategic Plan – Deployment	DPWT	2001
	53	Go Montgomery! Transportation Plan for Our Future	DPWT	2002
	54	Ten-Year Comprehensive Solid Waster Management Plan	DPWT	2003

In August 2005, the Chair of the MFP Committee requested copies of any new plans developed by the County Government since 2003 and a description of progress made to coordinate long range facility plan practices and the Planning Board's land use master plan process. In September 2005 the CAO transmitted the new plans with a cover memorandum to the Chair of the MFP Committee that, in part, stated:

In regards to the request for a description of progress made to coordinate long range facility plan practices and the Planning Board's land use master plans, long range facility plans, functional master plans, and adopted major policies, i.e., "A Housing Policy for Montgomery County, Maryland", are transmitted to the Planning Board staff and constitute the basis for many aspects of Executive Branch comments during all stages of the development and approval of master plans.

The CAO also transmitted copies of ten plans listed in the table below. Eight of these plans are new to the inventory and two are final versions of draft plans which were included in OLO's earlier inventory. The CAO's transmittal also included a plan titled Strategy for Homeland Security – State of Maryland by the Governor's Office of Homeland Security which was published in June 2004.

**UPDATED INVENTORY OF THE COUNTY GOVERNMENT STRATEGIC PLANS BY SERVICE AREA  
AS OF FEBRUARY 2006**

SERVICE AREA	#	PLAN TITLE	DEPARTMENT	DATE
CULTURE AND RECREATION		No updates received		
ENVIRONMENT	NEW	Countywide Stream Protection Strategy – 2003 Update	DEP	2003
	NEW	Air Quality Protection Strategy	DEP	2003
GENERAL GOV'T (TECHNOLOGY, BUDGET, AND OHR)		Countywide Strategic Facility Plan: Rockville Core Report (See OLO Report 2004-2 Table 1, #26)	DPWT	2003
	NEW	Montgomery County Judicial Center Annex	DPWT	2004
HOUSING AND DEVELOPMENT		No updates received.		
HEALTH AND HUMAN SERVICES	NEW	Montgomery County Department of Health and Human Services Strategic Plan: Building a Healthy, Safe and Strong Community – One Person at a Time	HHS	2006
PUBLIC SAFETY	NEW	Fire, Rescue, Emergency Medical Services, and Community Risk Reduction Master Plan - Facility	DFRS	2004
	NEW	Montgomery County Department of Police – Strategic Implementation Plan 2004-2006	MCPD	2004
PUBLIC WORKS AND TRANSPORTATION	NEW	Strategic Transit Plan	DPWT	2004
	NEW	Recycling Plan Update	DPWT	2005
		Division of Solid Waste Services 10 Year Plan 2004-2013 (See OLO Report 2004-2, Table 1 #54)	DPWT	2004

Source: OLO and Montgomery County Government, February 2006

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